

KATHERINE SHAW BETHEA HOSPITAL

SHORT-TERM DISABILITY SALARY CONTINUATION BENEFIT DESCRIPTION

For Payment of Wages After:

January 1, 2021

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
ELIGIBILITY FOR COVERAGE	2
General Eligibility Provisions	2
Eligible Employees	2
Initial Eligibility Date	2
Enrollment Rules	2
Effective Date	2
Coverage Termination	2
SHORT-TERM DISABILITY SALARY CONTINUATION BENEFITS.....	4
WHEN CLAIMS MUST BE FILED	6
If Your Claim is Denied	6
DEFINITIONS	8
GENERAL PLAN INFORMATION	10

INTRODUCTION

Katherine Shaw Bethea Hospital (herein referred to as "KSB") has established the Short-term Disability Salary Continuation Plan for your benefit.

This benefit description has been written for your use and understanding of the broad range of benefits available to you under this Plan for payment of wages after January 1, 2021 and is intended to replace all previously distributed materials. Any word or phrase that is capitalized in this document has a special meaning and is defined for you in the "Definitions" section or within the document.

The benefits of this Plan are only a part of the comprehensive employee benefits program provided for you and are offered as tangible recognition of your contribution to KSB's success. The Plan is designed to protect you against the loss of income during a short-term disability.

This benefit description is intended to give you, our employee, a general understanding of your benefits. In order to provide you with an explanation of our benefits plan that is both readable and comprehensive, this booklet is condensed, and not every aspect of our benefits is covered here. If you do not understand the language used in this booklet, contact your Human Resource Department for assistance.

During our business hours, you may ask for more specific information on coverage, exclusions, and limitations or ask questions concerning any other area of our benefit plan. We do ask that you please read this booklet thoroughly before bringing your questions in; they may be explained to your satisfaction in this booklet.

ELIGIBILITY FOR COVERAGE

Coverage provided under this Plan will be in accordance with the eligibility, effective date, and termination provisions of this benefit description. If provided by KSB policy, your coverage will be continued during an approved leave of absence, including disability.

Regardless of the established leave policies mentioned above, the Plan will at all times comply with FMLA. During any leave taken under FMLA, your coverage will be maintained under this Plan on the same conditions as coverage would have been provided if you had been continuously employed during the entire leave period.

General Eligibility Provisions

Eligible Employees

Employees eligible for Plan coverage (hereafter referred to as "Eligible Employees") are:

- All regular employees who are regularly scheduled to work a minimum of 20 hours per week; and,
- Physicians per an employment agreement.

In no event will a leased employee, temporary employee or independent contractor be deemed to be Eligible Employee.

Initial Eligibility Date

Your initial eligibility date for Plan coverage is the first day following the completion of the Waiting Period. The Waiting Period is one year of Active Service as an Eligible Employee. Active Service includes weekends, scheduled holidays and temporary short-term illnesses.

If you are not eligible for coverage on your date of hire because you do not meet the eligibility requirements defined above, time worked from your date of hire will be applied towards satisfying the Waiting Period.

If you have a break in coverage for any reason, you will be considered a new employee subject to the full Waiting Period.

Enrollment Rules

Written application for weekly disability income coverage is not required. You will automatically be covered on your initial eligibility date.

Effective Date

Your coverage under the Plan will become effective at 12:00 a.m. on the date of your eligibility.

Coverage Termination

Your coverage will automatically terminate at 12:00 midnight upon the earliest of the following dates:

1. Date of termination of your employment;
2. Date on which you cease to be in a class eligible for coverage;
3. Date the Plan is terminated, or with respect to any benefits of the Plan, the date of termination of such benefits;
4. Date of your death;
5. Immediately after you submit a fraudulent claim or any fraudulent information to the Plan.

Upon the termination of coverage, there is no extension of any benefits under this Plan for any reason unless specifically noted in the Plan.

If you are not at work due to approved personal, non-medical or medical leave of absence, your coverage may continue, but not beyond the periods defined in KSB's policies and not beyond one year following the leave.

Eligibility During a Pandemic or National Emergency

If you are an Eligible Employee covered by this Plan, you will retain eligibility for coverage if you are temporarily unable to attend the workplace, or other location to which you are required to travel, to perform the duties of your job due to:

1. A leave taken under the Families First Coronavirus Response Act, which includes the Emergency Paid Sick Leave Act and the Emergency Family Medical Leave Expansion Act (if applicable); or,
2. A pandemic-related illness, including a quarantine, self-quarantine, or isolation order by a healthcare provider or other federal or state governing authority, or other absences required directly by the event; or,
3. The temporary closure of business operations as a direct result of an Executive Order or similar emergency order issued by a federal, state, or local governing authority for the duration of such order; or,
4. If specified by Company policy, a short-term reduction in work hours for otherwise Eligible Employees, including a temporary layoff/furlough, as a direct result of a disruption in normal operations (such as interruptions in supply chain) due to a pandemic or National Emergency declaration; or,
5. Any other such event of similar nature that may arise in the future if approved by the Plan Administrator or required by law.

This provision runs concurrent with FMLA when permitted, and any applicable federal law or regulation governing the Employer.

SHORT-TERM DISABILITY SALARY CONTINUATION BENEFITS

Schedule of Benefits for Executives	
Waiting Period	0 days; benefits begin on the first day of disability absence
Benefit	100% of salary; paid on the same frequency as regular payroll. Required payroll withholdings such as FICA and federal income tax, as well as any other existing contributions/deductions will be deducted from Weekly Disability Income Benefits.
Maximum Benefit Period	13 weeks

Schedule of Benefits for All Other Employees and Physicians	
Waiting Period	14 days; benefits begin on the 15 th day of disability absence
Benefit	60% of the employee's hourly rate times hired hours; not to exceed \$2,300 per week; paid on the same frequency as regular payroll. Required payroll withholdings such as FICA and federal income tax, as well as any other existing contributions/deductions will be deducted from Weekly Disability Income Benefits.
Maximum Benefit Period	11 weeks

Short-term disability income benefits are only available for you; your Dependents are not eligible for these benefits.

A disability absence is a period of time during which you are prevented from performing the duties of your occupation solely because of non-occupational Injury or non-occupational Illness.

If a disability absence begins after you have completed the eligibility period, the Plan will, subject to the terms of this benefit Plan, pay the benefit for the period of disability absence, less days excluded by the terms of the Plan, at the weekly rate outlined on the Schedule of Benefits. Benefits will be payable for no more than the maximum benefit period during any one disability whether due to one or more causes and whether involving one or more disability absences. No benefits will be paid prior to the Plan's verification of disability based on information from the attending Physician and such other input as the Plan chooses to consider.

No benefits will be payable for:

1. The waiting period as outlined in the Schedule of Benefits;
2. Any day on which you are not under the care of a Physician or surgeon. No period of care will be considered to have started until you have been seen and treated personally by the Physician or surgeon;
3. Any day on which you are performing work of any kind, anywhere, for compensation or profit;
4. Any disability due to your commission of a Felonious Act;
5. Any disability due to an Injury sustained while you are a driver, passenger, or pedestrian in an automobile Accident, which would otherwise be payable under any group or individual no-fault automobile law;

6. Any disability which starts while you are not working on a regularly scheduled basis due to lay-off, leave of absence or other reason;
7. Any period of disability for which there is any other KSB-provided compensation or benefit, including vacation, paid holidays, paid sick leave and/or long-term disability benefits. Please check with the KSB regarding any available benefit. However, employees must use hours in their PDL bank to supplement Short-term Disability benefits.

All disability absences will be considered as occurring during a single period of disability (whether or not there has been any interruption in the continuity of your coverage), except that:

1. Successive disability absences separated by at least two consecutive weeks of Active Service working your regular hired hours will not be considered as occurring during the same period of disability; and
2. Successive disability absences due to entirely different and unrelated causes and separated by at least one day of Active Service working your regular hired hours will not be considered as occurring during the same period of disability.

For purposes of this section:

1. Average-weekly-earnings means your current basic weekly earnings. Your “current basic weekly earnings” are based on your payroll for the period immediately preceding the day on which your disability began.
2. The basic weekly earnings as used for this benefit excludes bonuses, overtime, incentives and/or shift differential.
3. A change in your rate of earnings will become effective for purposes of the Short-term Disability benefit on the date you are first engaged in active work at the increased rate of earnings. In other words, should you receive an increase in pay while receiving Short-term Disability benefits, this increase will not be effective for the purpose of this benefit until you return to active work.
4. KSB’s payroll period is bi-weekly. An appropriate adjustment will be made in the calculation of your earnings to give effect to the Short-term Disability provisions.
5. Weekly benefits are based on a 40-hour workweek or hired hours, whichever is applicable. A partial week of disability will be paid on a prorated basis.
6. Should you also qualify for Family Medical Leave (under the Family Medical Leave Act), FMLA time will run concurrently with the Short-term Disability Leave.

Partial Disability

No benefits are payable under this Plan if you are Partially Disabled.

“Partial Disability” or “Partially Disabled” means that as a result of an Injury or Illness you are capable of performing the material duties of your regular occupation on a part-time basis or some of the material duties on a full-time basis.

WHEN CLAIMS MUST BE FILED

Claims must be filed with the Claims Administrator, Professional Benefit Administrators, Inc., within one year of the onset of disability. However, should the Plan be terminated, claims must be filed within 90 days following the date of termination. Benefits are based upon the Plan's provisions at the time the charges were incurred or, in the case of disability claims, at the time of the onset of the disability. **Claims filed later than that date will be denied.**

A disability claim is considered to be filed when an appropriate claim form, completed and signed by the claimant and his Physician, setting forth the following information, is received by Professional Benefit Administrators, Inc.:

1. The date of the onset of the disability;
2. The cause of the disability;
3. The prognosis of the disability;
4. The extent of the disability, including restrictions and limitations preventing the claimant from performing his regular occupation; and
5. Appropriate documentation of the claimant's weekly earnings.

Upon receipt of the appropriate information, the claim will be deemed to be filed with the Plan.

The following additional information must be provided to Professional Benefit Administrators, Inc., although providing this information is not a requirement for the claim to be deemed to be filed:

1. Proof that the claimant is receiving appropriate and regular care for his Condition from a Physician who is someone other than the claimant or a member of his immediate family, whose specialty or expertise is the most appropriate for the disabling Condition(s) according to generally accepted medical practice; and
2. Objective medical findings that support the disability, including but not limited to tests, procedures or clinical examinations standardly accepted in the practice of medicine for the Condition(s).

Professional Benefit Administrators, Inc. (PBA) will determine if enough information has been submitted to enable proper consideration of the claim. If not, more information may be requested as provided herein. This additional information must be received by PBA within 45 days from receipt by the claimant of the request for additional information. **Failure to do so may result in claims being declined or reduced.**

Professional Benefit Administrators, Inc. (PBA) will notify you of the benefit determination on your claim within a reasonable period of time, generally not later than 45 days after receipt of the claim.

If Your Claim is Denied

If your claim is denied, you must file your appeal in writing within 180 days following receipt of the notice of an adverse benefit determination.

To file an appeal in writing, your appeal must be addressed as follows:

Professional Benefit Administrators, Inc. (PBA)
900 Jorie Boulevard, Suite 250
Oak Brook, IL 60523-3827
Attn: Claim Appeals

Any appeal must include:

1. The name of the Employee/claimant;
2. The Employee/claimant's individual identification number;
3. The group name or identification number;
4. All facts and theories supporting the claim for benefits. **Failure to include any theories or facts in the appeal will result in their being deemed waived. In other words, the claimant will lose the right to raise factual arguments and theories which support this claim if the claimant fails to include them in the appeal;**

5. A statement in clear and concise terms of the reason or reasons for disagreement with the handling of the claim; and
6. Any material or information that the claimant has which indicates that the claimant is entitled to benefits under the Plan.

The Claims Administrator will notify you of the benefit determination upon completion of their review of your claim.

DEFINITIONS

Certain words and phrases used in this benefit description are listed below with the definition or explanation of the manner in which the term is used for the purpose of this Plan. **The following definitions are not an indication that charges for particular services or supplies are eligible for payment under the Plan; please refer to the appropriate sections of the document for that information.**

Accident

“Accident” means an unintentional or unexpected happening which:

1. Causes Injury to the physical structure of the body;
2. Results from an external agent or trauma;
3. Is definite as to time and place; and
4. Happens involuntarily, or if it is the result of a voluntary act, entails unforeseen consequences.

“Accident” does not include a hernia of any kind, harm resulting from a disease, illness or allergic reactions, with the exception of insect venom reactions.

Active Service

“Active Service” means an Eligible Employee is employed by KSB for the minimum number of hours per week outlined in the General Eligibility Provisions. Such work may occur either at the usual place of business of KSB or at a location to which the business of KSB requires the Participant to travel, and for which he receives regular earnings from KSB. An employee will be deemed to be in Active Service if he is absent from work due to a health factor.

Calendar Year

“Calendar Year” means a period of time commencing on January 1, and ending on December 31, in the same given year.

Claims Administrator

“Claims Administrator” means the firm employed by KSB to provide ministerial services in connection with the operation of the Plan and any other function, including the processing and payment of claims.

Condition

See definitions of “Illness” and “Injury.”

Covered Person

“Covered Person” means any KSB employee who meets the eligibility requirements of coverage as specified in this Plan.

Felonious Act

“Felonious Act” means a crime or offense which carries with it the punishment associated with a felony conviction, as determined by common law or statute within the presiding jurisdiction of law enforcement. An occurrence of driving under the influence of a drug or alcohol is not considered a “Felonious Act” under this Plan.

Illness

“Illness” means a disorder or disease of the body or mind, or pregnancy as classified in the ICD.10.CM Manuals (or updated version). All Illnesses due to the same cause, or to a related cause, will be deemed to be one “Illness.”

Injury

“Injury” means a Condition caused by an Accident which results in damage to the Covered Person’s body.

KSB

“KSB” means Katherine Shaw Bethea Hospital.

Physician

“Physician” means a legally licensed medical doctor or surgeon, chiropractor, podiatrist, psychiatrist or psychologist.

Plan

“Plan” means KSB’s Short-term Disability Salary Continuation Plan which is described in this benefit description.

Waiting Period

“Waiting Period” means the amount of time that must pass before an individual is eligible to be covered for benefits under the terms of the Plan.

GENERAL PLAN INFORMATION

Name of Plan

The name of the Plan is the Katherine Shaw Bethea Hospital Short-term Disability Salary Continuation Plan.

Contributions and Benefits

The tax treatment of contributions and/or benefits under this Plan is governed by Section 105(b) and Section 152 of the Internal Revenue Code and is the sole responsibility of the employee.

Claims Administrator

The Claims Administrator of the Plan is Professional Benefit Administrators, Inc. ("PBA"), 900 Jorie Boulevard, Suite 250, Oak Brook, Illinois 60523-3827.

Workers' Compensation Not Affected

This Plan is not in lieu of, and does not affect, any requirement for coverage by workers' compensation insurance.

This Plan excludes coverage for any Injury or Illness that is eligible for coverage under any workers' compensation policy or law regardless of the date of onset of such Injury or Illness. However, if benefits are paid by the Plan and it is later determined that the employee received or is eligible to receive workers' compensation coverage for the same Injury or Illness, the Plan is entitled to full recovery for the benefits it has paid. This exclusion applies to past and future expenses for the Injury or Illness regardless of the amount or terms of any settlement the employee receives from workers' compensation. The Plan will exercise its right to recover against the employee.

An employee is required to notify KSB immediately when a claim for coverage under workers' compensation is filed if a claim for the same Injury or Illness is or has been filed with this Plan.

Fraud

Providing any false or misleading information to the Plan, or a Covered Person's knowledge of such actions being taken by another, constitutes fraud and will result in immediate termination of all coverage under this Plan.

Unclaimed Payments

Any benefit payment issued under the Plan that is not cashed by the payee within the twelve-month period immediately following its date of issue will be considered void and will only become a Plan liability upon receipt of the employee's written request for re-issuance. Such request must be made within the twenty-four (24) month period immediately following the date the benefit payment was issued. Any request that is filed later will be denied.

