

# **YOUR BENEFIT PROGRAM**



For Exempt Staff



**EMPLOYER: UNIVERSITY OF NOTRE DAME DU LAC**

**PROGRAM: STIR Exempt**

**PROGRAM EFFECTIVE DATE: July 1, 2016**

**THE INCOME REPLACEMENT PROGRAM  
DESCRIBED IN THE FOLLOWING PAGES  
IS SPONSORED BY THE EMPLOYER.**

**THE EMPLOYER IS SOLELY RESPONSIBLE  
FOR PAYMENT OF SOME PERCENTAGE OF  
A DISABLED EMPLOYEE'S SALARY  
ACCORDING TO THE TERMS AND CONDITIONS  
OF THIS PROGRAM DESCRIPTION.**

**SEE THE SCHEDULE SECTION OF THIS PROGRAM  
DESCRIPTION FOR THE PERCENTAGE OF SALARY TO  
BE CONTINUED AND THE MAXIMUM DURATION  
OF TIME SALARY WILL BE CONTINUED.**

**THIS PROGRAM OF INCOME REPLACEMENT IS  
NOT AN EMPLOYEE WELFARE BENEFIT PLAN,  
AS DEFINED BY THE EMPLOYEE RETIREMENT  
INCOME SECURITY ACT (ERISA).**

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## SCHEDULE OF BENEFITS

This Program provides short term continuation of some percentage of an eligible Employee's Weekly Earnings . Payments are made from the Employer's payroll account or general assets.

### **Program's Cost:**

You do not contribute towards the program's cost.

### **Eligible Class(es) For Coverage:**

All Full-time and Part-time Active exempt Employees excluding temporary, leased or seasonal employees.

Full-time Employment: at least 30 hours weekly

Part-time Employment: at least 20 hours weekly

### **Eligibility Waiting Period for Coverage:**

None

### **Benefits Commence:**

- 1) for Disability caused by Injury: after 7 consecutive days of Total Disability, You may apply for wage continuation under the Short-Term Income Replacement program. If approved, short-term disability income replacement benefits are retroactive to the first day absent;
- 2) for Disability caused by Sickness: after 7 consecutive days of Total Disability, You may apply for wage continuation under the Short-Term Income Replacement program. If approved, short-term income replacement benefits are retroactive to the first day absent.

### **Income Replacement Amount:**

100% of Your Pre-disability Earnings.

### **Maximum Duration of Benefits Payable:**

- 1) 26 week(s) if caused by Injury; or
- 2) 26 week(s) if caused by Sickness.

### **Additional Benefits:**

Modified Working Benefit

See Benefit

## ELIGIBILITY AND ENROLLMENT

### **Eligible Persons:** *Who is eligible for coverage?*

All persons in the class or classes shown in the Schedule of Benefits will be considered Eligible Persons.

### **Eligibility for Coverage:** *When will I become eligible?*

You will become eligible for coverage on the later of:

- 1) the Program Effective Date; or
- 2) the date You complete the Eligibility Waiting Period for Coverage shown in the Schedule of Benefits, if applicable.

### **Enrollment:** *How do I enroll for coverage?*

All eligible Active Employees will be enrolled automatically by the Employer.

## PERIOD OF COVERAGE

### **Effective Date:** *When does my coverage start?*

You are not required to contribute toward The Program's cost, Your coverage will start on the date You become eligible.

### **Deferred Effective Date:** *When will my effective date for coverage or a change in my coverage be deferred?*

If You are absent from work due to:

- 1) accidental bodily injury;
- 2) Sickness;
- 3) Mental Illness; or
- 4) Substance Abuse;

on the date Your coverage, or increase in coverage, would otherwise have become effective, Your coverage, or increase in coverage will not become effective until You are Actively at Work one full day.

### **Termination:** *When will my coverage end?*

Your coverage will end on the earliest of the following:

- 1) the date The Program terminates;
- 2) the date The Program no longer covers Your class;
- 3) the date Your Employer terminates Your employment; or
- 4) the date You cease to be a Full-time or Part-time Active Employee in an eligible class for any reason;

unless continued in accordance with one of the Continuation Provisions.

Leave of Absence: If You are on a documented leave of absence, other than Family or Medical Leave, Your coverage may be continued for 12 months after the leave of absence commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

Family Medical Leave: If You are granted a leave of absence, in writing, according to the Family and Medical Leave Act of 1993, or other applicable state or local law, Your coverage may be continued for up to 12 weeks after or longer if required by other applicable law, following the date Your leave commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

### **Coverage while Disabled:** *Does my coverage continue while I am Disabled and no longer an Active Employee?*

If You are Disabled and You cease to be an Active Employee, Your coverage will be continued:

- 1) while You remain Disabled; and
- 2) until the end of the period for which You are entitled to receive short term income replacement benefits.

After short term income benefit payments have ceased, Your coverage will be reinstated, provided:

- 1) You return to work for one full day as a Active Employee in an eligible class; and
- 2) The Program remains in force.

## BENEFITS

### **Disability Benefit:** *What are my Disability Benefits under The Program?*

If, while covered under this Benefit, You:

- 1) become Totally Disabled;
- 2) remain Totally Disabled; and
- 3) submit Proof of Loss to the Claims Evaluator;

The Employer will pay the Income Replacement Amount

The amount of any Income Replacement Amount payable will be reduced by any income received from the Employer for the period You are Totally Disabled.

### **Partial Week Payment:** *How is a benefit calculated for a period of less than a week?*

If a Income Replacement Amount is payable for less than a week, The Program will pay 1/5 of the Income Replacement Amount for each day You were Disabled.

**Recurrent Disability:** *What happens to my benefits if I return to work as an Active Employee and then become Disabled again?*

When Your return to work as an Active Employee is followed by a Disability, and such Disability is:

- 1) due to the same cause; or
- 2) due to a related cause; and
- 3) within 180 consecutive calendar days of the return to work;

the Period of Disability prior to Your return to work and the recurrent Disability will be considered one Period of Disability, provided The Program remains in force.

If You return to work as an Active Employee for 180 consecutive days or more, any recurrence of a Disability will be treated as a new Disability.

**Period of Disability** means a continuous length of time during which You are Disabled under The Program.

**Multiple Causes:** *How long will benefits be paid if a period of Disability is extended by another cause?*

If a period of Disability is extended by a new cause while Income Replacement Amounts are payable, Income Replacement Amounts payable will continue while You remain Disabled, subject to the following:

- 1) Income Replacement Amounts payable will not continue beyond the end of the original Maximum Duration of Benefits; and
- 2) any Exclusions will apply to the new cause of Disability.

**Termination of Payment:** *When will my benefit payments end?*

Benefit payments will stop on the earliest of:

- 1) the date You are no longer Disabled;
- 2) the date You fail to furnish Proof of Loss;
- 3) the date You are no longer under the Regular Care of a Physician;
- 4) the date You refuse the Claims Evaluator's request that You submit to an examination by a Physician or other qualified medical professional;
- 5) the date of Your death;
- 6) the date You refuse to receive recommended treatment that is generally acknowledged by Physicians to cure, correct or limit the disabling condition;
- 7) the last day benefits are payable according to the Maximum Duration of Benefits;
- 8) the date Your Current Weekly Earnings exceed 80% of Your Pre-disability Earnings if You are receiving benefits for being Disabled from Your Occupation; or
- 9) the date no further benefits are payable under any provision in The Program that limits benefit duration.

**Modified Working Benefits:** *How are benefits paid when I am working a modified schedule?*

If, while covered under this benefit, You are Modified Working, as defined, Your Income Replacement Amount will be the lesser of:

- 1) Your Pre-disability Earnings multiplied by the Benefit Percentage; or
- 2) the Maximum Benefit.

Current Weekly Earnings will not be used to reduce Your Income Replacement Amount. However, if the sum of Your Income Replacement Amount and Your Current Weekly Earnings exceeds 100% of Your Pre-disability Earnings, the Employer will reduce Your Income Replacement Amount by the amount of the excess.

Days which You are Modified Working may not be used to satisfy the Benefits Commence Period.

## EXCLUSIONS AND LIMITATIONS

**Exclusions:** *What Disabilities are not covered?*

The Program does not cover, and will not pay a benefit for any Disability:

- 1) unless You are under the Regular Care of a Physician;
- 2) that is caused or contributed to by war or act of war (declared or not);
- 3) caused by Your commission of or attempt to commit a felony;
- 4) caused or contributed to by Your being engaged in an illegal occupation;

- 5) caused or contributed to by an intentionally self-inflicted Injury;
- 6) for which Workers' Compensation benefits are paid, or may be paid, if duly claimed, unless workers compensation benefits are denied for any reason;
- 7) sustained as a result of doing any work for pay or profit for another employer; or
- 8) paid after notification of termination of employment for any reason.

If You are receiving or are eligible for benefits for a Disability under a prior disability plan that:

- 1) was sponsored by the Employer; and
- 2) was terminated before the Effective Date of The Program;

no benefits will be payable for the Disability under The Program.

## GENERAL PROVISIONS

**Claims Evaluator:** *What is the role of the Claims Evaluator?*

The Claims Evaluator is delegated the duties of the Employer to determine benefits payable according to the terms and conditions of The Program.

**Employer Role:** *What is the role of the Employer in the Claims process?*

The Employer is responsible for making payment for benefits due according to the terms and conditions of The Program.

The Employer's responsibilities also include, but are not limited to:

- 1) deciding appeals of claims which were initially denied by the Claims Evaluator; and
- 2) making final determinations regarding eligibility for coverage.

**Notice of Claim:** *When should the Claims Evaluator be notified of a claim?*

You, your supervisor or your physician must give the Claims Evaluator written notice of a claim no later than 30 days after Disability starts. If notice cannot be given within that time, it must be given as soon as possible. Such notice must include your name, your address and the Employer's name.

You, your supervisor or your physician must give the Claims Evaluator notice of claim by calling the special claims telephone number provided to Employees. Such notice must be given on the fifth day of an absence due to the same or a related Disability.

If notice cannot be given within that time, it must be given as soon as possible after that. A representative of the Claims Evaluator will assist the caller through the process, gathering the appropriate information from you, your physician, and the Employer.

**Claim Forms:** *Are special forms required to file a claim?*

Proof of loss is typically provided by telephone; however, if forms are required, they will be sent to You for providing Proof of Loss within 15 business days after the Claims Evaluator receives a notice of claim. If the Claims Evaluator does not send the forms within 15 business days, You may submit any other telephonic proof which fully describes the nature and extent of Your claim.

**Proof of Loss:** *What is Proof of Loss?*

Proof of Loss may include but is not limited to the following:

- 1) documentation of:
  - a) the date Your Disability began;
  - b) the cause of Your Disability;
  - c) the prognosis of Your Disability;
  - d) Your Pre-disability Earnings, Current Weekly Earnings or any income, including but not limited to copies of Your filed and signed federal and state tax returns; and
  - e) evidence that You are under the Regular Care of a Physician;
- 2) any and all medical information, including x-ray films and photocopies of medical records, including histories, physical, mental or diagnostic examinations and treatment notes;
- 3) the names and addresses of all:
  - a) Physicians or other qualified medical professionals You have consulted;
  - b) hospitals or other medical facilities in which You have been treated; and
  - c) pharmacies which have filled Your prescriptions within the past three years;



- 4) Your signed authorization for the Claims Evaluator to obtain and release:
  - a) medical, employment and financial information; and
  - b) any other information the Claims Evaluator may reasonably require.

You will not be required to claim any retirement benefits which You may only get on a reduced basis. All proof submitted must be satisfactory to the Claims Evaluator.

**Additional Proof of Loss:** *What additional proof of loss is the Claims Evaluator entitled to?*

To assist the Claims Evaluator in determining if You are Disabled, or to determine if You meet any other term or condition of The Program, the Claims Evaluator has the right to require You to:

- 1) meet and interview with the Claims Evaluator; and
- 2) be examined by a Physician, vocational expert, functional expert, or other medical or vocational professional of the Claims Evaluator's choice.

Any such interview, meeting or examination will be:

- 1) at the Claims Evaluator's expense; and
- 2) as reasonably required by the Claims Evaluator.

Your Additional Proof of Loss must be satisfactory to the Claims Evaluator. Unless the Claims Evaluator determines You have a valid reason for refusal, the Claims Evaluator may deny, suspend or terminate Your benefits if You refuse to be examined or meet to be interviewed by the Claims Evaluator.

**Sending Proof of Loss:** *When must proof of Loss be given?*

Written Proof of Loss must be sent to the Claims Evaluator within 90 day(s) after the start of the period for which the Claims Evaluator is liable for payment. If proof is not given by the time it is due, it will not affect the claim if:

- 1) it was not possible to give proof within the required time; and
- 2) proof is given as soon as possible; but
- 3) not later than 1 year after it is due, unless You are not legally competent.

The Claims Evaluator may request Proof of Loss throughout Your Disability. In such cases, the Claims Evaluator must receive the proof within 30 day(s) of the request.

**Claim Payment:** *When are benefit payments issued?*

When the Claims Evaluator determines that You:

- 1) are Disabled; and
- 2) eligible to receive benefits;

accrued benefits will be paid in accordance with the Employer's payment schedule. If any payment is due after a claim is terminated, it will be paid as soon as Proof of Loss satisfactory to the Claims Evaluator is received.

**Claims to be Paid:** *To whom will benefits for my claim be paid?*

All payments are payable to You. Any payments owed at Your death may be paid to Your estate. If any payment is owed to:

- 1) Your estate;
- 2) a person who is a minor; or
- 3) a person who is not legally competent;

then the Claims Evaluator may pay up to \$1,000 to a person who is Related to You and who, at the Claims Evaluator's sole discretion, is entitled to it. Any such payment shall fulfill the Claims Evaluator's responsibility for the amount paid.

**Claim Denial:** *What notification will I receive if my claim is denied?*

If a claim for benefits is wholly or partly denied, You will be furnished with written notification of the decision. This written notification will:

- 1) give the specific reason(s) for the denial;
- 2) make specific reference to The Program provisions on which the denial is based;
- 3) provide a description of any additional information necessary to perfect a claim and an explanation of why it is necessary; and
- 4) provide an explanation of the review procedure.

**Claim Appeal:** *What recourse do I have if my claim is denied?*

On any claim, You or Your representative may appeal to the Claims Evaluator for a full and fair review. To do so You:

- 1) must request a review upon written application within:
  - a) 180 days of receipt of claim denial if the claim requires the Claims Evaluator to make a determination of disability; or
  - b) 60 days of receipt of claim denial if the claim does not require the Claims Evaluator to make a determination

of disability; and

- 2) may request copies of all documents, records, and other information relevant to Your claim; and
- 3) may submit written comments, documents, records and other information relating to Your claim.

The Claims Evaluator will respond to You in writing with the final decision on the claim.

**Subrogation:** *What are the Employer's subrogation rights?*

If You:

- 1) suffer a Disability because of the act or omission of a Third Party;
- 2) become entitled to and are paid benefits under The Program in compensation for lost wages; and
- 3) do not initiate legal action for the recovery of such benefits from the Third Party in a reasonable period of time;

then the Employer will be subrogated to any rights You may have against the Third Party and may, at its option, bring legal action against the Third Party to recover any payments made by The Program in connection with the Disability.

**Third Party** as used in this provision means any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under The Program.

**Legal Actions:** *When can legal action be taken against the Employer?*

Legal action cannot be taken against the Employer:

- 1) sooner than 60 days after the date proof of loss is furnished; or
- 2) more than 3 years after the date Proof of Loss is required to be furnished according to the terms of The Program.

**Misstatements:** *What happens if facts are misstated?*

If material facts about You were not stated accurately, the true facts will be used to determine if, and for what amount, coverage should have been in force.

**Program Interpretation:** *Who interprets the terms and conditions of The Program?*

The Employer has full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of The Program.

## DEFINITIONS

**Actively at Work** means at work with the Employer on a day that is one of the Employer's scheduled workdays. On that day, You must be performing for wage or profit all of the regular duties of Your Occupation:

- 1) in the usual way; and
- 2) for Your usual number of hours.

If school is not in session due to normal vacation or school break(s), Actively at Work shall mean You are able to report for work with the Employer, performing all the regular duties of Your Occupation in the usual way for Your usual number of hours as if school was in session.

**Active Employee** means an employee who works for the Employer on a regular basis in the usual course of the Employer's business. This must be at least the number of hours shown in the Schedule of Benefits.

**Claims Evaluator** means CareWorks Absence Management Company.

**Current Weekly Earnings** means Weekly earnings You receive from Your Employer while You are Disabled and eligible for the Modified Working Benefit. You must be Totally Disabled 7 consecutive days before Modified Working Benefits Commence.

**Modified Working** means that You are prevented by:

- 1) Injury;
- 2) Sickness;
- 3) Mental Illness;
- 4) Substance Abuse; or
- 5) pregnancy

from performing some, but not all of the Essential Duties of Your Occupation, are working on a part-time or limited duty basis, and as a result, Your Current Weekly Earnings are more than 20%, but are less than or equal to 80% of Your Pre-disability Earnings. You must be Totally Disabled 8 consecutive days before Modified Benefits Commence.

**Disability or Disabled** means Total Disability or Modified Working Disability.

**Essential Duty** means a duty that:

- 1) is substantial, not incidental;
- 2) is fundamental or inherent to the occupation; and
- 3) cannot be reasonably omitted or changed.

Your ability to work the number of hours in Your regularly scheduled workweek is an Essential Duty.

**Injury** means bodily injury resulting:

- 1) directly from accident; and
- 2) independently of all other causes;

which occurs while You are covered under The Program. However, an Injury will be considered a Sickness if Your Disability begins more than 30 days after the date of the accident.

**Mental Illness** means a mental disorder as listed in the current version of the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association. A Mental Illness may be caused by biological factors or result in physical symptoms or manifestations.

For the purpose of The Program, Mental Illness does not include the following mental disorders outlined in the Diagnostic and Statistical Manual of Mental Disorders:

- 1) Mental Retardation;
  - 2) Pervasive Developmental Disorders;
  - 3) Motor Skills Disorder;
  - 4) Substance-Related Disorders;
  - 5) Delirium, Dementia, and Amnesic and Other Cognitive Disorders; or
  - 6) Narcolepsy and Sleep Disorders related to a General Medical Condition.
- 1) individual insurance policy where the premium is wholly or partially paid by Your Employer;

**Physician** means a person who is:

- 1) a doctor of medicine, osteopathy, psychology or other legally qualified practitioner of a healing art that the Claims Evaluator recognize or are required by law to recognize;
- 2) licensed to practice in the jurisdiction where care is being given;
- 3) practicing within the scope of that license;
- 4) not Related to You by blood or marriage; and
- 5) not an adult living with you.

**Pre-disability Earnings** means Your regular weekly rate of pay, not counting bonuses, commissions and tips and tokens, overtime pay or any other fringe benefits or extra compensation, in effect on the last day You were Actively at Work before You became Disabled.

**Program** means the Income Replacement program maintained by the Employer, according to the terms and conditions stated in this Program Description.

**Regular Care of a Physician** means that You are being treated by a Physician:

- 1) whose medical training and clinical experience are suitable to treat Your disabling condition; and
- 2) whose treatment is:
  - a) consistent with the diagnosis of the disabling condition;
  - b) according to guidelines established by medical, research, and rehabilitative organizations; and
  - c) administered as often as needed;

to achieve the maximum medical improvement.

**Related** means Your spouse or other adult living with You, sibling, parent, step-parent, grandparent, aunt, uncle, niece, nephew, son, daughter, or grandchild.

**Income Replacement Amount** means a weekly sum payable to You while You are Disabled, subject to the terms of The Program.

**Sickness** means a Disability which is:

- 1) caused or contributed to by:
  - a) any condition, illness, disease or disorder of the body;
  - b) any infection, except a pus-forming infection of an accidental cut or wound or bacterial infection resulting from an accidental ingestion of a contaminated substance;
  - c) hernia of any type unless it is the immediate result of an accidental Injury covered by The Program; or
- 2) caused or contributed to by any medical or surgical treatment for a condition shown in item 1) above.

**Substance Abuse** means the pattern of pathological use of alcohol or other psychoactive drugs and substances characterized by:

- 1) impairments in social and/or occupational functioning;
- 2) debilitating physical condition;
- 3) inability to abstain from or reduce consumption of the substance; or
- 4) the need for daily substance use to maintain adequate functioning.

Substance includes alcohol and drugs but excludes tobacco and caffeine.

**Total Disability or Totally Disabled** means that You are prevented by:

- 1) Injury;
- 2) Sickness;
- 3) Mental Illness;
- 4) Substance Abuse;

from performing the Essential Duties of Your Occupation, and as a result, You are earning less than 20% of Your Pre-disability Earnings.

**Your Occupation** means Your Occupation as it is recognized in the general workplace. Your Occupation does not mean the specific job You are performing for a specific employer or at a specific location.

**You or Your** means the person to whom this Program is issued.