

# VADA Benefit Plan

## Short-Term Disability Benefits Description

*Effective November 1, 2014*

## **VADA Benefit Plan Short-Term Disability Benefits Description**

This document is intended to be the description of short-term disability benefits offered under the VADA Benefit Plan and referenced in the VADA Benefit Plan SPD. It is not intended to stand alone as a summary plan description, as that term is defined by the Employee Retirement Income Security Act of 1974 (“ERISA”). If any of the language in this document is inconsistent with the language of the VADA Benefit Plan SPD, the language of the VADA Benefit Plan will control.

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Short-Term Disability Benefits Description  
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## DEFINITIONS

The following list of definitions is included to give specific meaning to particular capitalized words used in the Benefits Description. This list is not intended to include all terms used in this document. Any word or phrase not specifically defined herein will have the meaning assigned to it by the VADA Benefit Plan SPD or, if not defined therein, its usual and customary meaning.

**ACCIDENTAL INJURY:** An unforeseen or unexplained sudden injury occurring by chance, without intent or violation.

**ILLNESS:** Sickness or disease which results in the incurrence, by a Covered Employee, of expenses for medical care, services or supplies.

**PHYSICIAN:** A Duly licensed Doctor of Medicine.

**PRE-EXISTING CONDITION:** You received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the 12 months just prior to your effective date of coverage; and the disability begins in the first 12 months after your effective date of coverage.

**SALARY:** The most recent (as of the time of a claim for benefits) weekly earnings figure for a Covered Employee that is reported by a Participating Employer on that Covered Employee's Group Enrollment Form or the Participating Employer's annual salary update to the Plan.

**STD CLAIM ADMINISTRATOR:** The entity with whom the Plan contracts to process claims for short-term disability benefits. The STD Claim Administrator is:

UNUM  
Portland Maine Sales Office  
1 Monument Square Suite 500  
Portland, ME 04101  
P: (207) 228-7425

**TOTAL DISABILITY:** The inability, because of Accidental Injury or Illness, of a Covered Employee to engage in any gainful occupation for the profit or compensation for which a Covered Employee qualifies by reason of education, training, or experience because of Accidental Injury or Illness.

## **SHORT-TERM DISABILITY BENEFITS**

Short-term disability benefits (“STD Benefits”) are designed to replace wages lost by a Covered Employee while he or she is unable to work for a Participating Employer due to accident or illness.

### **Qualifying for Benefits**

A Covered Employee qualifies for STD Benefits if he or she has a Total Disability as a result of an Accidental Injury or Illness other than an Accidental Injury or Illness for which the Covered Employee is entitled to workers’ compensation benefits (regardless of whether he or she actually receives those benefits), benefits under any occupational disease law, or benefits under the mandatory portion of any “no-fault” motor vehicle plan.

A Total Disability due to pregnancy is considered a Total Disability due to Illness.

### **Receiving Benefits**

A Covered Employee suffering from a Total Disability that is not due to a Pre-Existing Condition and who qualifies for STD benefits may begin receiving benefits beginning on the day after an Accidental Injury or on the 8<sup>th</sup> day following the onset of an Illness, provided the Covered Employee has submitted the appropriate claim and that claim has been approved.

A Covered Employee whose claim for STD Benefits is approved is eligible to receive STD Benefits for a maximum of 26 weeks. STD Benefits will end earlier if any of the following events occurs:

1. The Covered Employee dies. STD Benefits will be discontinued as of the date of the Covered Employee’s death.
2. The Covered Employee no longer suffers from a Total Disability. STD Benefits will be discontinued as of the date the Covered Employee no longer suffers from a Total Disability.
3. The Covered Employee makes a willful misrepresentation of fact regarding participation in the Plan or regarding a claim for STD Benefits. STD Benefits will be discontinued as of the date of the willful misrepresentation.

## **Calculating Benefits**

The amount of STD Benefits is calculated as a percentage of a Covered Employee's current Salary. See Appendix A, "Short-Term Disability Benefits," for the percentage and maximum weekly benefit amount.

Any income received by a Covered Employee from other sources (regardless whether it is earned income) while receiving STD Benefits will offset the STD Benefits dollar for dollar.

## **Successive Disabilities**

Successive periods of Total Disability due to a particular Accidental Injury or due to the same or related Illness will be considered as one disability, regardless of whether the covered Employee returns to work in the time between periods of Total Disability. An Accidental Injury or Illness is related to another if it is caused by or is a complication of the same Accidental Injury or Illness.

A New maximum benefit period of 26 weeks will begin in the event a Covered Employee becomes totally disabled due to an unrelated cause only after they have returned to active employment for at least one (1) full day.

## **Termination of Participation**

A Covered Employee's participation in the Plan may terminate under the circumstances set out in Section IV D of the VADA Benefit Plan SPD. As a separate issue, a Covered Employee's participation in the Plan's STD Benefits will terminate (regardless whether the Covered Employee's participation in the Plan and other benefits terminates) on the earliest of:

1. The date the Plan Sponsor ceases to offer STD Benefits;
2. The last day of the calendar month in which the Covered Employee's employment with the Participating Employer with whom he or she enrolled for benefits ends. Employment for the purpose of STD Benefits will be deemed to be continued by the Participating Employer following a temporary layoff or leave of absence, until the end of the calendar month following the calendar month during which the temporary layoff or leave of absence began.
3. The last date of the period for which the Covered Employee's contribution has been made, if the Covered Employee fails to make any required contribution.

4. The last day of the month during which the Participating Employer elects to terminate this benefit for its Covered Employees.

### **Subrogation and Reimbursement**

To the extent that STD Benefits are paid under this Plan, the Plan shall be subrogated to any right of recovery of such benefits that the Covered Employee may have against any person or organization, including insurers of policies issued to the Covered Employee. The Covered Employee agrees to cooperate with the Plan and to do whatever is necessary to secure those rights. It is agreed that if the Covered Employee fails to take the necessary legal action to recover such benefits, the Plan may proceed in the Covered Employee's name and will be entitled to the recovery of the amount of benefits paid and the expenses of that recovery. In the event of any recovery the Plan or the Covered Employee, the Plan has first priority in recovering the amount of STD Benefits paid, including priority over any liens or claims for attorney's fees. If the Plan or the Covered Employee recovers an amount greater than the STD Benefits paid, the excess, reduced by the Plan's expenses of the recovery, will be paid to the Covered Employee. The Plan reserves the right to compromise the amount of its claim if, in the discretion of the Plan Administrator, it is appropriate to do so.

### **Filing a Claim for STD Benefits**

In order for a Covered Employee to obtain the benefits outlined here, that Covered Employee must submit a written claim to VADA as soon as is reasonable possible, but no later than ninety (90) days after the occurrence or commencement of an Accidental Injury or Illness. To submit a claim, the Covered Employee must complete and file a claim form with VADA. The claim forms should be available through the Participating Employer's Group Benefit Manager or can be found on the VADA website or by calling VADA.

A Physician's certification is required for verification of Total Disability in connection with a claim for STD Benefits. Additional certification or recertification may be required from time to time throughout the period of disability, at the sole discretion of the Plan Administrator.

Failure to submit a written claim within the time allowed will not invalidate the claim or reduce any claim if it was not reasonably possible to submit the claim within the time allowed and provided the proof is furnished as soon as reasonably possible. In no event, other than the absence of the Covered Employee's legal capacity, may a claim be

submitted later than one (1) year after the occurrence of an Accidental Injury or onset of an Illness. A Covered Employee who fails to submit a written claim for STD Benefits within the time limits noted above is ineligible to receive STD Benefits for that particular claim.

Any covered Employee or Participating Employer who submits a claim containing one or more willful misrepresentations or falsifications will not be eligible for STD Benefits or for participating in the Plan.

If a claim is denied, the claimant will receive a written notice of the denial of benefits. The written notice will state:

1. the specific reason or reasons for the denial;
2. specific references to pertinent Plan provisions upon which the denial is based;
3. a description of any additional material or information necessary for the claimant to perfect the claim, and an explanation of why such material or information is necessary; and
4. an explanation of the Plan's claim review procedures

Please contact your Participating Employer's Group Benefit Manager or the STD Claims Administrator if you have any questions.

### **Reviewing a Denied Claim for STD Benefits**

If a Covered Employee's claim for STD Benefits is denied in whole or in part or if no decision is made within ninety (90) days of the filing of the claim, the Covered Employee or his duly authorized representative may request a review upon written application to the Plan Administrator, and may submit issues and comments in writing. A request for review under this provision must be mailed to the Plan Administrator within sixty (60) days after receipt by the Covered Employee of a written notification that the claim was denied or, if no decision was made, within 150 days of the date the claim was made.

**Benefits will not be reinstated during the appeal process.**

A Decision on the request for review will be made by the Plan Administrator no later than sixty (60) days after receipt of the request for review from the Covered Employee, unless special circumstances (such as a decision by the STD Claims Administrator that a hearing should be held on the matter) require an extension of time for processing, in which case a decision will be rendered as soon as possible, but not later than 120 days

after receipt by the Plan Administrator of the request for review. The decision on review will be in writing and will include specific reasons for the decision and specific reference to the pertinent Plan provisions on which the decision is based.

No legal action related to the Plan or this benefit and an employer's or individuals' participation in the Plan may be commenced before the employer or individual has exhausted the appeal procedures described above. In no event may any such action be brought more than one year after the denial or termination of participation.

The Plan Administrator has the sole discretionary authority to determine the facts surrounding a claim for STD Benefits and to construe, interpret, and apply the terms of the Plan. The Plan Administrator also has the discretionary authority to settle and/or resolve any claims or disputes over benefits. All decisions of the Plan Administrator are final and binding on all parties.

APPENDIX A  
SHORT-TERM DISABILITY BENEFITS

Weekly Benefit Amount: 60% of Salary

Maximum Weekly Benefit: \$200