

Short-term disability

DONGALEN ENTERPRISES, INC DBA INTERSTATE ADVANCED MATERIALS



Voluntary short-term disability for all eligible employees OUTSIDE the state of California

Definition of disability	<p>Residual disability An employee will be considered residually disabled, if he/she is not totally disabled and, while working in his/her own occupation, as a result of sickness or injury, he/she is unable to earn 80% or more of his/her predisability earnings.</p> <p>Total disability An employee will be considered totally disabled if, as a result of sickness or injury, the employee is unable to perform with reasonable continuity the substantial and material duties necessary to pursue his/her own occupation in the usual and customary way and he/ she is not working in his/her own occupation.</p>
Elimination period	<p>Benefits begin on:</p> <ul style="list-style-type: none"> • The 1st day for disability due to injury • The 8th day for disability due to sickness
Weekly benefit	<p>Benefit percentage: 60% of predisability earnings</p> <p>Maximum: \$1,500</p>
Minimum weekly benefit	\$25
Maximum benefit duration	13 weeks
Definition of earnings	<p>Base wage</p> <p>Compensation for business owners covers the net profits plus salary, averaged over the prior two calendar years.</p>
Salary continuation	No offset
Preexisting conditions	3 months prior / 12 months insured
Employer contributions	Contributory - employer pays 0%
Employee participation	20% or 5 lives, whichever is greater
Re-enrollment of coverage	If employees contribute toward the cost of their STD coverage today and Principal Life has agreed to a re-enrollment of coverage, employees may be required to submit proof of good health depending on the method of re-enrollment.
Maternity	Treated the same as any other disability
Work incentive benefit	Applies during the benefit payment period
Coverage for work related disabilities	No

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Replacement of a prior program	<p>If this policy is replacing coverage under a prior program, replacement of prior plan provisions may apply. If employees are not actively at work on the day coverage would become effective, or become disabled due to a preexisting condition, they may still qualify for benefits if they had STD coverage under a prior program, they are not receiving any benefits under the prior program but would have been entitled to these benefits if the prior program remained in force and no provision other than the actively at work provision would otherwise prohibit benefits from being paid under our policy. Any benefit payable is the lesser of the benefits under our policy or the benefits that would have been paid under the prior program, had it remained in force.</p>
Income from other sources	<p>We coordinate disability benefits with income disabled employees receive from other sources. These include all retirement or disability benefits that employees and their dependents receive from Social Security, Canadian Pension Plan, Quebec Pension Plan, Railroad Retirement Act or other government agencies; Workers' Compensation benefits; income from state disability plans; paid by pension plans sponsored by the policyholder; income received from no-fault auto laws; renewal commissions received from the policyholder; disability benefits received under the Jones Act or any government retirement system (CalPERS); benefits the member receives as a result of the same disability from third party liability judgments, settlements or otherwise (less attorneys' fees); and benefit amounts received as a result of the same disability by compromise or settlement of any claim for permitted offsets (less attorneys' fees).</p> <p>Other income sources do not include individual disability insurance; profit sharing plans; thrift savings plans; nonqualified deferred compensation plans; 401(k) plans; individual retirement accounts (IRAs); stock ownership plans; Keogh (HR-10) plans; any cost of living increases paid in connection with other sources of income; Social Security or pension plan payments that were being received prior to the current disability; and any income the member receives for services rendered prior to the member's date of disability.</p>
Exclusions	<p>The proposed policy contains restrictions and exclusions. Before making a purchase decision, review the following limitations and resolve any questions. The following limitations and restrictions are applied as required by state law or as otherwise described in the group policy.</p> <p>No benefits will be paid to employees with disabilities resulting from: willful self injury while sane or insane/ war or an act of war / results from the commission of or attempt to commit a felony / a new or continuing disability that begins after an employee's benefit payment period has ended, but the employee has not returned to active work / results from sickness or injury for which a Workers' compensation temporary disability benefits are actually paid.</p>

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A preexisting condition is a sickness or injury for which a member received medical treatment, care or services for a diagnosed condition; or took prescription medications for a diagnosed condition in the three month period before he or she became insured under the group policy; or suffered from a physical or mental condition, whether diagnosed or undiagnosed, which was misrepresented or not disclosed in his or her application for which he or she received a physician's advice or treatment within 24 months before he or she became insured under the group policy; or which caused symptoms within 12 months before he or she became insured under the group policy for which a prudent person would usually seek medical advice or treatment.

No benefits will be paid for a disability that is caused or substantially contributed by a preexisting condition unless, on the date the member becomes disabled, he or she has been actively at work for one full day after completing 12 consecutive months during which the member was insured under the group policy.

Rehabilitation benefits

Reasonable accommodation benefit	\$500
Rehabilitation incentive benefit	5% increase in the weekly benefit percentage

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Highlights	
Eligible employees	All active, full-time employees living outside the state of CA (except part-time, seasonal, temporary or contract employees) who work at least 30 hours per week.
Integration method	Direct offsets
Social security integration	Primary and family
Proof of good health	Required if fewer than 5 members insured.
Recurring disability	Disabled employees who recover and return to work for 30 days or less during the benefit duration are not required to complete a new elimination period if they become disabled again due to the same or related cause.
Weekly payment limit	Benefits paid are reduced if total income exceeds 100% of predisability earnings. Total income includes: <ul style="list-style-type: none"> • The employee's normal benefit payable • Additional benefits payable under the policy • Return to work earnings • Other income sources defined in the policy • PTO, sick pay, and salary continuance payments (if these income sources are not considered other income sources)
Form W-2 and FICA services	Upon request, we offer Form W-2 preparation and FICA services for employees on disability. <ul style="list-style-type: none"> • Form W-2 - Prepare and mail to employees, report to appropriate governmental agencies and provide employers with reports. • Standard FICA services - Calculate and withhold employees' portions of appropriate taxes, deposit employee tax withholdings with appropriate government agencies, provide employers with reports. • Additional FICA services* - Calculating and depositing the employer FICA match with the appropriate government agency, reporting FICA match on our tax deposits, and issuing Form W-2's to each individual who received a disability payment during the calendar year. <p>*Employers are still responsible for other tax reporting such as Federal Unemployment Tax Act (FUTA) and State Unemployment Tax Act (SUTA).</p>
State mandated disability benefits	The policy does not provide state mandated disability benefits in CA, NY, NJ, RI or HI
Benefit payment period	In no event will a benefit payment continue beyond the lesser of the maximum benefit duration or if any of the following occur: an employee recovers, ceases to be under the regular and appropriate care of a physician, unreasonably fails to provide any required proof of disability, unreasonably fails to submit to a required medical examination, fails to report income from other sources or any other required earnings information, fails to pursue Social Security benefits or dies.