

Moravian College

Sick/Short Term Disability

Summary Plan Description

Introduction

This Summary Plan Description ("SPD") provides information about your short term disability benefit provided by your Employer, Moravian College.

While Moravian College intends to continue the benefits described in this document indefinitely, it reserves the right to change, modify or discontinue the Plan at its discretion at any time. This SPD does not constitute a contract of employment or guarantee any particular benefit. This SPD is also the plan document.

The Short Term Disability Benefit described in this SPD is part of the Moravian College Employee Benefit Plan, which also includes dental, vision, long term disability, and life benefits.

This Short Term Disability Plan is intended to provide financial protection against the loss of current income if you become disabled by a non-work related Illness or Injury while you are employed by Moravian College. If you are disabled because of a work related Illness or Injury you may be eligible to receive benefits under Workers' Compensation.

You will need to satisfy all requirements described in this SPD to receive Short Term Disability benefits.

Summary of Benefits Available

Waiting Period for Eligibility:

Non- exempt employees become eligible for Sick/Short Term Disability benefits 90 days after their first day of employment with Moravian College (or 90 days after the employee first becomes eligible for coverage under the Plan) and exempt employees become eligible upon their date of hire.

Date Benefits Start:

Non-Exempt sick leave is available immediately

Injury: STD benefits begin on the 7th working day following Total Disability for non-exempt employees and may not be used if sick leave is available
Benefits begin on the 11th working day following Total Disability for exempt employees

Illness: Benefits begin on the 11th working day following Total Disability for non-exempt employees
Benefits begin on the 11th working day following Total Disability for exempt Employees

Maximum Benefit: See chart for exempt employees
75 % of salary during STD periods, 100% during sick leave periods for Non-exempt employees

Maximum Payment Period: 130 days for non-exempt employees 130 days for exempt employees

Eligibility

All active Full Time Employees who are scheduled to work at least one-thousand (1,000) budgeted annual hours are eligible for coverage under this Plan.

Enrollment

An Employee will be automatically enrolled in this Plan following completion of his or her waiting period as described in this Plan Summary.

Effective Date

Coverage will become effective on the date that the waiting period is completed for non-exempt employees and it will become effective on the first of the month following the date all eligibility requirements are met for exempt employees.

If an Employee is absent from work on the day coverage would otherwise start, coverage will instead begin on the date he or she returns to Active Work.

Cost of Coverage

Employees are not required to pay towards the cost of coverage and Moravian College will pay for the entire cost of the coverage. The Plan is self-insured and self administered.

Termination of Coverage

Your coverage will terminate on the earliest of the following dates:

- 1) The date the Employer terminates the Plan and offers no other sick/short term disability benefits.
- 2) The date you no longer meet the eligibility requirements of the Plan.
- 3) The date your employment terminates, as defined by Moravian College's personnel policies.
- 4) The date you become a full-time, active member of the armed forces of any country.

Termination of employment will not discontinue any Sick/Short Term Disability Benefit as long as the Employee remains disabled by the same disabling condition up to the maximum payment period as described in this Plan Summary.

Family Medical Leave Act (FMLA) Leave of Absence

If you are granted a leave of absence according to the Family and Medical Leave Act of 1993, your coverage may be continued for up to twelve (12) weeks, or longer if required by state law, following the date your coverage would have terminated, subject to the following:

- 1) The leave authorization must be in writing;
- 2) You must continue to make any required contribution toward the cost of your coverage;
- 3) Your benefit level, or the amount of weekly earnings upon which your benefit may be based, will be that in effect on the day before said leave commenced; and
- 4) Such continuation will cease immediately if one of the following events should occur:
 - a) The leave terminates prior to the agreed upon date;
 - b) The Plan terminates; or
 - c) The Plan no longer provides coverage for your class.

Other Leaves of Absence

Sick/Short Term Disability coverage under this Plan will end when you begin a leave of absence, whether the leave is paid or unpaid. A leave of absence includes any period of time during which you do not work, but which is of a stated duration after which time you are expected to return to Active Work. Vacation time is not considered a leave of absence.

Employee Reinstatement

An Employee who returns to work after a leave of absence or other separation of service will be considered a new Employee for purposes of eligibility and will be subject to all eligibility requirements, including all requirements relating to the effective date of coverage.

Short Term Disability Benefit

If an employee becomes Totally Disabled while covered under the Plan, the Plan will pay weekly disability benefits as stated in the Summary of Benefits. For weeks in which a Covered Person is not Totally Disabled for the entire week, a daily benefit will be calculated as one-fifth of the amount of the weekly benefit. Benefits for part weeks will be computed based on the regular number of days per week customarily worked by the Covered Person, as determined by the Plan Administrator.

After benefits have commenced for Total Disability, if you return to work on a part-time or limited duty basis because you are Partially Disabled, benefits will be pro-rated based on the hours not worked during the week.

Benefits will begin on the day indicated in the Summary of Benefits after an Injury or Illness that results in Total Disability.

Regular pay will be computed as follows:

- 1) For an exempt employee, the weekly salary paid in the last full week prior to the date of disability, exclusive of bonuses, commissions, fringe benefits or any additional form of compensation whatsoever.
- 2) For a non-exempt employee, the hourly rate of pay in effect on the date of the disability multiplied by the number of hours in the employee's normal work week, exclusive of overtime, bonuses, commissions, fringe benefits or any additional form of compensation whatsoever.
- 3) Your coverage may increase or decrease on the date there is a change in your class or weekly earnings. However, no increase in coverage will be effective unless on that date you are an Active Full Time Employee and you are not absent from work due to being disabled. If you absent from work, the effective date of such increase will be deferred until you are Actively at Work for one full day.

Benefit Termination

Benefits will continue until the earliest of the following:

- 1) The maximum payment period defined in the Summary of Benefits for any one (1) continuous period of Total Disability
- 2) The date the Covered Person ceases to be under the care of a Physician or fail to furnish proof of continued disabled.
- 3) The date the Covered Person ceases to be Totally Disabled.
- 4) The date the Covered Person dies.
- 5) The date you refuse to be examined, if the Claims Administrator requests an examination.

In the event of termination of your employment during a period of Total Disability, your Short Disability benefit will be continued until any of the termination provisions above occurs.

Submitting a Claim for Payment of Benefits

If you are unable to work as a result of an extended and medically certifiable non-work related Injury or Illness that results in Total Disability, you can apply for a Short Term Disability benefit under this Plan. You do need to use your accumulated sick or vacation time before applying for a Short Term Disability benefit.

In order to apply, you will need to complete a claim form and submit it to Human Resources. You need to complete the employee section and have your Physician complete the physician's statement as outlined on the form. Appropriate claim forms are available in the Human Resources Office. You must submit your claim form within 30 days after you become Totally Disabled or as soon as reasonably possible.

Recertification of disability may be requested no more often than monthly, unless circumstances described by the previous certification have changed significantly (e.g., the duration or frequency of absences, the severity of the condition, complications); or the Human Resources Office receives information that casts doubt upon the employee's stated reason for the absence. Failure to supply an updated physician's report will result in the denial of benefit payment. A claim form may be used for recertification of disability.

There may be instances when the Plan will request that the employee obtain a second opinion. The second physician will be selected by the Plan and will be paid for by the Plan.

Payment of Benefits

The Employer will pay benefits to you bi-weekly during your disability. Any payments owed at your death may be paid to your estate. If any payment is owed to your estate, the Employer may reimburse any of your relatives who are entitled to it in the opinion of the Employer. Any such payment shall fulfill the Plan's responsibility for the amount paid.

After a completed claim form has been submitted to the Plan, and no additional information is required, the Plan will generally complete its determination of the claim within forty-five (45) calendar days of receipt of the completed claim form unless an extension is necessary due to circumstances beyond the Plan's control.

After a completed claim form has been submitted to the Plan, and if additional information is needed for determination of the claim, the Plan will provide you (or your authorized representative) with a notice detailing the information needed, which notice will be provided within forty-five (45) calendar days of receipt of the completed claim form and will state the date as of which the Plan expects to make a decision. The employee will have forty-five (45) calendar days to provide the information requested, and the Plan will complete its determination of the claim within thirty (30) calendar days of receipt by the Plan of the requested information. Failure to respond in a timely and complete manner will result in the denial of benefit payment.

Authorized Representative

You may provide the Employer with a written authorization for an authorized representative to represent and act on your behalf and consent to release of information to the authorized representative with respect to a claim for benefits or an appeal. Authorization forms may be obtained from the Human Resources Office.

Notice of Short Term Disability Benefit Denial

If your claim for Short Term Disability benefits is denied, the Employer will send you (or your authorized representative) a written notice of a benefit denial within forty-five (45) calendar days of receipt of a completed claim form, or if the Plan had requested additional information within thirty (30) calendar days of receipt of that information. The notice will contain the following:

- 1) The specific reasons for the denial.
- 2) Reference to the Plan provision(s) on which the denial is based.
- 3) A description of any additional material or information necessary and an explanation of why such material or information is necessary.
- 4) A description of the Plan's review procedure and applicable time limits.
- 5) A statement that if the employee's appeal (See "Appealing a Denied Weekly Disability Claim" below) is denied, the employee has the right to bring a civil action under section 502 (a) of the Employee Retirement Income Security Act of 1974.
- 6) If an internal rule, guideline, protocol or other similar criterion was relied upon, the Benefit Denial will contain either:
 - a. A copy of that criterion, or
 - b. A statement that such criterion was relied upon and will be supplied free of charge, upon request.

Appealing a Denied Claim

You or your authorized representative may request a review of a denied claim by making written request to the Employer within one hundred and eighty (180) calendar days from receipt of notification of the denial and stating the reasons you feel the claim should not have been denied.

The following describes the review process and your rights:

- 1) You have a right to submit documents, information and comments.
- 2) You have the right to access, free of charge, information relevant to the claim for benefits. Relevant information is defined as any document, record or other information:
 - a. Relied on in making the benefit determination, or
 - b. That was submitted, considered or generated in the course of making a benefit determination, whether or not relied upon, or
 - c. That demonstrates compliance with the duties to make benefit decisions in accordance with Plan documents and to make consistent decisions, or
 - d. That constitutes a statement of policy or guidance for the Plan concerning the denied treatment or benefit for the employee's diagnosis, even if not relied upon.
- 3) The review takes into account all information you submitted, even if it was not considered in the initial benefit determination.
- 4) The Employer will not afford deference to the original denial.
- 5) The Employer will not be:
 - a. The individual who originally denied the claim, nor
 - b. Subordinate to the individual who originally denied the claim.
- 6) If original denial was, in whole or in part, based on medical judgment:
 - a. The Employer will consult with a Professional Provider who has appropriate training and experience in the field involving the medical judgment.
 - b. The Professional Provider will be neither:
 - (i.) An individual who was considered in connection with the original denial of the claim, nor
 - (ii.) A subordinate of any other Professional Provider who was considered in connection with the original denial.
- 7) If requested, the Employer will identify the medical or vocational expert(s) who gave advice in connection with the original denial, whether or not the advice was relied upon.

Notice of Benefit Determination on Appeal

The Employer will provide you (or your authorized representative) with a written notice of the appeal decision within forty-five (45) calendar days of receipt of a written request for the appeal. If special circumstances require an extension, the plan administrator (or its designee) will provide, before the end of such forty-five (45) day period, a written notice explaining the extension and the date by which the Plan expects to render a decision.

If the appeal is denied, the Notice of Appeal Decision will contain an explanation of the decision, including:

- 1) The specific reasons for the denial.
- 2) Reference to specific Plan provisions on which the denial is based.
- 3) A statement that the employee has the right to access, free of charge, information relevant to the claim for benefits.
- 4) A statement that if your appeal is denied, the employee has the right to bring a civil action under section 502 (a) of the Employee Retirement Income Security Act of 1974.
- 5) If an internal rule, guideline, protocol or other similar criterion was relied upon, the Notice of Appeal Decision will contain either:
 - a. A copy of that criterion, or
 - b. A statement that such criterion was relied upon and will be supplied free of charge, upon request.

Subrogation

If you suffer a disability because of the act or omission of a third party; become entitled to and are paid benefits under the Plan in compensation for lost wages; and do not initiate legal action for the recovery of such benefits from the third party in a reasonable period of time, then Moravian College will be subrogated to any rights you may have against the third party and may, at its option, bring legal action to recover any payments made by the Plan in connection with the disability.

Coordination with Other Benefits

Your short term disability benefit will be reduced by other benefits, so that the total combined benefit does not exceed the maximum benefit defined in the Summary of Benefits. Other benefits include any such benefits for which you are eligible, or that are paid to you, your family, or to a third party on your behalf. This includes the amount of any benefit for loss of income from:

- 1) The Civil Service Retirement System, the Railroad Retirement Act, the Jones Act, the Canada Pension Plan, the Quebec Pension Plan or similar plan or act that you are eligible to receive because of your disability;
- 2) Any plan or arrangement of coverage, whether insured or not, as a result of employment by or association with the Employer, or as a result of membership in or association with any group, association, union or other organization;
- 3) The Veteran's Administration or any other foreign or domestic governmental agency for the same disability;
- 4) Any government law or program that provides disability or unemployment benefits as a result of your job with the employer;
- 5) Individual insurance policy where the premium is wholly or partially paid by the Employer;
- 6) Any temporary or permanent disability benefits under a workers' compensation law, occupational disease law, or similar law;
- 7) Compulsory "no-fault" automobile insurance; or
- 8) The portion of a settlement or judgement, minus associated costs, of a lawsuit that represents or compensates for your loss of earnings.

Any general increase in benefits required by law that you are entitled to receive under any Federal Law will not reduce the short term disability benefit payable for a period of Total Disability that began prior to the date of such increase.

If you are paid other income benefits in a lump sum, this lump sum will be pro-rated over the period of time it would have been paid if not paid in a lump sum or if such period of time cannot be determined, over the maximum payment period defined in the Summary of Benefits.

Periods of Disability

Total Disability due to the same cause or causes is considered one period of disability unless the employee returns to active status for at least fourteen (14) days.

If you become Totally Disabled due to a cause(s) unrelated to your prior Total Disability, you are eligible for separate maximum periods of disability if you return to Active Work for one (1) full day. You must complete a separate waiting period for each separate period of Total Disability.

If a period of disability is extended by a new cause while short term disability benefits are payable under this Plan, short term disability benefits will continue while you remain disabled, subject to the following:

- 1) Such short term disability benefits will not continue beyond the end of the original Maximum Payment Period; and
- 2) This Plan's Exclusions will apply to the new cause of disability.

Exclusions

No benefit will be provided under this Plan for income replacement for the following:

- 1) A disability caused or contributed to by war or act of war (declared or not);
- 2) The period of Total Disability for which you are not under the care of a Physician;
- 3) Any disability resulting from intentional, self-inflicted injury, suicide or attempted suicide whether sane or insane, voluntary or involuntary;
- 4) Any disability resulting from the committing of, or attempting to commit, a felony or misdemeanor;
- 5) A sickness or injury for which workers' compensation benefits are paid, or may be paid, if duly claimed; or
- 6) An injury sustained as a result of doing any work for pay or profit for another company.

DEFINITIONS

Certain words and terms used herein are defined as follows:

Actively at Work; Active Work

The expenditure of time and energy in the service of the Employer, except that an Employee shall be deemed actively at work on each day of regular paid vacation, or on a regular non-working day, on which he or she is not disabled, provided he or she was Actively at Work on the last preceding regular working day.

Claims Administrator

Moravian College
1200 Main Street
Bethlehem, PA 18018
610-861-1526

Covered Person or You

An Employee who is eligible for coverage under this Plan, or becomes eligible at a later date, and for whom the coverage provided by this Plan is in effect.

Effective Date

The date of this Plan or the date on which the Covered Person's coverage commences, whichever occurs later.

Employee

A person directly involved in the regular business of and compensated for services, as reported on the individual's annual W-2 form, by the Employer, who is classified as an Active Full-Time Employee and is regularly scheduled to work not less than one-thousand (1,000) budgeted annual hours.

Employer

The Employer is Moravian College.

Enrollment Date

A Covered Person's Enrollment Date is the first day of the Waiting Period or the date of hire.

Illness

A bodily disorder, disease, or physical sickness. Pregnancy of a covered employee shall be considered an illness.

Injury

A physical harm or disability which is the result of a specific incident caused by external means. The physical harm or disability must have occurred at an identifiable time and place. Injury does not include illness or infection of a cut or wound.

Partial Disability or Partially Disabled

A disability immediately following a period of Total Disability for which you were eligible to receive a weekly benefit, you are still prevented by the same disabling condition from performing essential duties of your occupation but you have recovered to the extent that you are able to perform some, but not all, of the essential duties of your or any occupation.

Physician

A practitioner of a healing art who is properly licensed, and practicing within the scope of that license, other than a close relative of the Covered Person. A close relative is the employee's spouse, children, brothers, sisters, parents; or the children, brothers, sisters or parents of the employee's spouse.

Plan

Plan refers to the benefits and provisions for payment of Short Term Disability benefits as described herein. The Plan is part of the Moravian College Employee Benefit Plan.

Plan Administrator

The Plan Administrator is responsible for the day-to-day functions and management of the Plan. The Plan Administrator is Moravian College.

Professional Provider

A person or other entity licensed where required and performing services within the scope of such license. The covered Professional Providers include, but are not limited to:

Certified Addictions Counselor	Dentist	Physical Therapist
Certified Registered Nurse	Dietitian	Physician
Anesthetist	Dispensing Optician	Physician's Assistant
Certified Registered Nurse Practitioner	Midwife	Podiatrist
Chiropractor	Nurse (R.N., L.P.N., L.V.N.)	Psychologist
Clinical Laboratory	Nurse Practitioner	Respiratory Therapist
Clinical Licensed Social Worker	Occupational Therapist	Speech Therapist
	Ophthalmologist	
	Optician	
	Optometrist	

Total Disability or Totally Disabled

The Covered Person is prevented from engaging in his or her regular, customary occupation or from an occupation for which he or she becomes qualified by training or experience, and is performing no work of any kind for compensation or profit.

Disability (STD) Benefits for Exempt Employees

The institution provides all administrative staff members with sick leave and a self-funded short-term disability program. Sick leave commences the first day of an absence and continues through the first ten working days. After five occurrences of absence and/or one occurrence of five or more work days, a physician's certificate is required to be submitted to the Office of Human Resources, which verifies the inability to perform duties during the absence. Subsequent absences within the calendar year that are less than ten working days are treated as sick leave but will also require physician certification as suggested above.

Benefits from short-term disability commence on the eleventh consecutive working day of the absence. Benefits from short-term disability include salary continuation in accordance with the following schedule and other institutional benefits for the duration of the short-term absence. Disability is described as the inability to perform one's job and receipt of these benefits is contingent upon adequate medical documentation. The duration of benefits is as follows:

Service Requirement	Amount of Coverage
From employment through year one	1 month full salary and 1 month half salary.
Year Two	2 months full salary and 2 months half salary.
Year Three	3 months full salary and 3 months half salary.
Year Four	4 months full salary and 2 months half salary.
Year Five	5 months full salary and 1 month half salary.
Year Six and beyond	6 full months of salary.

Example of accrual: if hired in 2004 and current year is 2007, the benefit for that year would be that of year three as indicated in the chart above.

Once an **employee** returns from any period of short-term disability, subsequent benefits are earned beginning the next calendar year.

Entitlement to paid health benefits for all employees coincides with the ability to receive compensation through accrued sick leave and short-term disability as well as applicable COBRA or FMLA law.

General Information about the Plan

Name of Plan:

Moravian College Short Term Disability Plan

Effective Date:

This Plan has been amended and restated as of January 1, 2014.

Plan Year:

January 1st to December 31st

Name, Address and Phone Number of Plan Sponsor:

Moravian College
1200 Main Street
Bethlehem, PA 18018
610-861-1526

Employer Identification Number:

24-0795460

Plan Number:

502; This Short Term Disability Plan is part of the Moravian College Employee Benefit Plan, which also includes other benefits that are described in separate plan documents.

Type of Plan:

Welfare Benefit Plan providing short term disability benefits

Type of Administration:

Self-administration: The processing of claims for benefits under the terms of the Plan is provided through the Employer who shall hereinafter be referred to as the Claims Administrator.

Contribution and Funding Arrangement

The Plan is considered to be a self funded Plan with claims being paid from an account designated by the Employer. Contributions for the payment of claims will be provided solely by the Employer.

Name, Address and Phone Number of Plan Administrator, Fiduciary, and Agent for Service of Legal Process:

Moravian College
1200 Main Street
Bethlehem, PA 18018
Attention: Jon Conrad, Director of Human Resources
610-861-1526

Claims Administrator:

Moravian College
1200 Main Street
Bethlehem, PA 18018
610-861-1526

Plan Document

This Summary Plan Description is also the Plan Document, which is required by ERISA

Statement of ERISA Rights:

Participants in the Plan are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all participants shall be entitled to:

1. Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor, if applicable.
2. Obtain, upon written request to the plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements and copies of the latest annual report (Form 5500 Series) and updated summary plan description, if applicable. The plan administrator may make a reasonable charge for the copies.
3. Receive a summary of the Plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report, if applicable.
4. Continue health care coverage for the participant, the participant's spouse or dependents if there is a loss of coverage under the Plan as the result of a qualifying event. The participant or dependent may have to pay for such coverage. Review this summary plan description and the documents governing the Plan on the rules governing COBRA continuation coverage rights.
5. Reduction or elimination of exclusionary periods of coverage for pre-existing conditions under the Plan, if the participant or dependent has creditable coverage from another plan. The participant or dependent should be issued a certificate of coverage when coverage under the Plan is lost; when the participant or dependent becomes entitled to elect COBRA continuation coverage; when COBRA coverage ceases; if a certificate is requested before losing coverage, or if a certificate is requested within twenty-four (24) months after losing coverage. The participant or dependent may be subject to a pre-existing condition exclusion for 365 days after the enrollment date for coverage. The participant or dependent should be provided a certificate of creditable coverage, free of charge, from their group health Plan or health insurance insurer.

In addition to creating rights for Plan participants, ERISA imposes obligations upon the people who are responsible for the operation of the Plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of all Plan participants.

No one, including the Employer, a union, or any other person, may fire an employee or discriminate against an employee to prevent the employee from obtaining any benefit under the Plan or exercising their rights under ERISA.

If claims for benefits under the Plan are denied, in whole or in part, the participant must receive a written explanation of the reason for the denial. The participant has the right to have the Plan review and reconsider the claim.

Under ERISA, there are steps participants can take to enforce their rights. For instance, if material is requested from the Plan and the material is not received within thirty (30) days, the participant may file suit in a federal court. In such case, the court may require the plan administrator to provide the materials and pay the participant up to \$110 a day until the materials are received, unless the materials were not provided for reasons beyond the control of the plan administrator. If a claim for benefits is denied or ignored in whole or in part and after exhaustion of all administrative remedies, the participant may file suit in a state or federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if participants are discriminated against for asserting their rights, participants may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who will pay the costs and legal fees. If the participant is successful, the court may order the person who is sued to pay these costs and fees. If the participant loses, the court may order the participant to pay the costs and fees; for example, if it finds the participant's claim frivolous.

Participants should contact the plan administrator for questions about the Plan. For questions about this statement or about rights under ERISA, participants should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor listed in their telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.