

**THIS IS A STATEMENT OF COVERAGE FOR THE SANTA CLARA UNIVERSITY CALIFORNIA VOLUNTARY DISABILITY PLAN. THE PROVISIONS OF THIS STATEMENT APPLY TO DISABILITY BENEFIT PERIODS BEGINNING ON OR AFTER JANUARY 1, 2023.**



**Legislative Disclosure**

Assembly Bill (AB) 908 establishes a new methodology for calculating the Weekly Benefit Amount (WBA) for Disability Insurance (DI) and Paid Family Leave (PFL) benefits. The wage replacement rate will increase from 55% to approximately 60 or 70% based on a claimant's income (See **STATE PLAN BENEFIT CALCULATION** on the final page of this Statement of Coverage for calculation details). AB 908, also, eliminates the waiting period for all PFL claims.

This bill applies to claims on or after January 1, 2018 but before January 1, 2022. For disability periods commencing after January 1, 2000 and before January 1, 2018, the WBA computation for SDI benefits will remain at 55% as outlined in current law.

***Assembly Bill 138 and Senate Bill 951 extends this greater benefit percentage through December 31, 2024.***

Senate Bill (SB) 83 effective July 1, 2020 extends the duration of Paid Family Leave benefits from 6 weeks to 8 weeks within a rolling 12-month period.

Senate Bill (SB) 1123 effective January 1, 2021, expands the Paid Family Leave program to include new eligibility for employees who take time off work due to a "qualifying military event" arising out of the overseas military deployment of the employee's family member.

**PARTICIPATION**

**Who may participate?** You, provided you are a California employee of the Company. There is no enrollment—your coverage begins on the day you become an employee. If you do not wish to participate in the Plan, you must reject coverage in writing. If you wish to participate at a later date, you may do so by submitting a written election to participate in the Plan to The Benefits Team in the Human Resources department. You will be covered on the 1st day of the calendar quarter that follows the date on which you submit your notice.

**COST**

**How much do I pay?** Your cost is .9% of the first \$153,164 of your calendar year wages (\$1,378.48 annually).

**DISABILITY**

**When am I considered disabled?** When you are unable to do your regular or customary work because of a mental or physical illness or injury. This includes pregnancy and childbirth. (If you participate in and complete a vocational rehabilitation program, your regular or customary work is the occupation for which you have been retrained.) You are considered disabled if you have been ordered to stay away from work by order of a bona fide health authority because you have or are suspected of having a communicable disease. Also, if you seek treatment for an alcohol or drug abuse problem, you are considered disabled, provided you are participating in an accredited residential or outpatient program. If you are being treated on an outpatient basis, you must attend the program for a minimum of six hours a day, five days a week. Benefits for alcohol and drug abuse treatment are limited to 90 days.

Although you will not be considered disabled, if a member of your immediate family is disabled, or if you want to bond with your new minor child within the first year of the birth, adoption, or foster care placement of that child you may be eligible for up to 8 weeks of Paid Family Leave.

**BENEFITS**

**How much will I receive?** If you are disabled, you will be eligible to receive 60 or 70% of your basic weekly earnings, based on your income, up to a maximum weekly benefit of \$1,700 and a minimum weekly benefit of \$50.

Benefits for Paid Family Leave will also be paid at 60 or 70% of your earnings, based on your income, up to a weekly maximum of \$1,700 and a minimum weekly benefit of \$50.

Benefits for partial weeks of disability or Paid Family Leave are paid at a daily rate that is 1/5<sup>th</sup> of your weekly benefit.

You may choose to redirect a portion of your weekly benefit to cover all or part of the cost of employee-paid benefits. To execute this option, you must designate in writing, on a form available from The Benefits Team in the Human Resources department, the weekly amount to be redirected. This redirection may be initiated at the time you apply for benefits or at any time while you are receiving benefits.

**When do my benefits begin?** On your 8th consecutive day of disability, provided you see a doctor at some point during that period, or on your 1st day of Paid Family Leave.

A disability is deemed to be continuous if you return or are able to return to work for 60 days or less and become disabled again due to the same or related cause or condition.

**How do Voluntary Plan benefits compare to benefits from the State?** As a Plan participant, you are guaranteed rights at least equal to those provided by the State Disability Fund. You will receive a weekly rate and maximum weekly benefit amount at least equal to the State Award rate and Maximum Benefit Award which you would have received if you were a participant in the State Disability Insurance (SDI) program.

**On what are benefits based?** Disability benefits are based on your earnings. Earnings mean your basic pay in effect on the date immediately prior to the start of your disability. Earnings do not include bonuses, commissions, differentials, overtime, or any other type of additional compensation.

**What is the maximum benefit payable?** The maximum benefit payable for any one period of your disability is 52 times your weekly benefit.

The maximum benefit payable for any one period of Paid Family Leave is 8 times your weekly benefit amount during the twelve-month period that begins with the first (1<sup>st</sup>) day that you establish a valid claim for Paid Family Leave.

**Are limits placed on my benefits?** Yes. Your benefits will be limited to the State Award rate if:

- your disability arises during the extended coverage period following the commencement of a layoff without pay or a leave of absence without pay (except that this limitation will not apply in the case of a temporary shut-down initiated by the Company).
- you decline alternative employment offered by the Company that is within the your physical or mental capabilities and is comparable in status and compensation to your former occupation.
- for any portion of your Disability Benefit Period when you fail to comply with the requirements of appropriate care and treatment recommended by your treating Physician. This limitation shall remain in effect until the Claims Administrator receives satisfactory evidence of compliance from your treating Physician.

**Will I still be eligible for benefits if I receive wages while I am disabled?** Yes, provided that the amount of wages you receive when combined with your benefits does not exceed the amount of wages you earned (excluding overtime) during the week immediately preceding your disability. In that case, you will receive a weekly benefit equal to the difference between the two, but not more than the benefit you would receive if no wages had been paid.

**What if I am eligible to receive benefits from more than one plan (for instance, another Voluntary Plan or SDI)?** Your benefit will equal the amount by which this Plan exceeds your State Award rate, plus the amount which results from dividing your State Award benefit by the number of Plans under which you are covered (for example, if you are covered by this Plan and SDI, you will divide by two).

## **EXCLUSIONS**

**Are there conditions under which I will not be eligible for benefits?**

- You will not receive benefits if a certificate from a physician, surgeon, optometrist, dentist, osteopath, chiropractor, podiatrist, a nurse practitioner, a physician assistant or a licensed psychologist does not support your, or the care recipient's, disability. In the case of normal pregnancy, a licensed midwife, nurse-midwife, or nurse-practitioner may certify your disability. An authorized medical officer of a US Government medical facility or a registrar of a county hospital may also certify a disability. If you, or the care recipient, belong to a bona fide religious organization that relies on prayer or other spiritual means for healing, a certificate from an authorized or accredited practitioner of that creed may be accepted.

The certificate must include the medical facts of your, or the care recipient's, case, including, if applicable, secondary diagnoses. It must also include the issuer's opinion as to the probable duration of your, or the care recipient's, disability. The certificate must include a diagnosis or diagnostic code prescribed in the International Classification of Diseases. If no diagnosis has been made, a statement of symptoms must be included. All of the above must be based on a physical examination and a documented medical history. If you can prove that you have received workers' compensation (WC) temporary disability benefits, you don't have to submit a certificate. If you are claiming benefits while receiving treatment for alcohol or drug abuse, your doctor does not need to certify that you are disabled; however, you will still need to meet other Plan requirements.

- You will not receive benefits under this Plan for any day that you receive (or are eligible to receive) WC temporary disability indemnity or permanent disability benefits or an employer liability law of this state, or any other state or the federal government (if such benefits are paid due to the same illness or injury), unless the amount you are receiving is less than your Plan benefit. If this is the case, the Plan will pay the difference between your normal Plan benefit and what you are receiving.
- You will not receive benefits if (i) you are incarcerated (in jail or any other facility) as a result of a criminal conviction, (ii) your disability arises out of your commission of a crime, or (iii) your disability stems from alcohol or drug addiction, or from aberrant sexual behavior, and you are confined by court order in an institution or some other place.
- If you intentionally make a false statement or representation (or you withhold material facts) in order to obtain benefits, you will be ineligible for benefits for at least seven days (starting on the date we notify you) but not more than thirty-five days. You will not receive benefits for an additional fifty-six days if there is a second infraction of this provision.
- You will not receive disability benefits if you are receiving or are entitled to receive unemployment or Paid Family Leave benefits.
- You will not receive benefits for any day that would otherwise qualify for Paid Family Leave benefits if another family member is ready, willing, able, and available for the same period of time in a day that you are providing the required care.

## **COVERAGE ENDS**

### **When does my coverage end?**

- when you cease to be eligible;
- at midnight of the day your employment ends;
- at midnight of the 15th day after you begin an unpaid LOA or on the 15th day following a layoff without pay;
- on the 1st day of the quarter following your written request to withdraw from the Plan;
- on the date of termination of the Plan;
- following termination of approval of the Voluntary Plan by the Director of EDD; or
- following withdrawal of the Voluntary Plan by the Company or a majority of its employees employed in the State and covered by the Plan.

## **CLAIMS**

**How do I file a claim?** You must notify Matrix Absence Management, Inc. of your claim as soon as is reasonably possible or you can contact your Human Resources Department for claim forms and claim filing information. Contact the Matrix Intake Center at 1-877-202-0055 or [www.matrixabsence.com](http://www.matrixabsence.com). Matrix will send you an information packet which may include forms that you or your doctor may need to complete. Fill out any required forms and return them to Matrix. You must do this within forty-five days after your first compensable day of disability (unless you can show that it was not reasonably possible for you to comply with this requirement).

When you file a claim, you will receive a Notice of Computation (DE429D) from the State that shows the amount that the State would have paid you. You should note that the way the State calculates your wages is done using wage quarters. This may result in the State awarding you a different benefit amount. Furthermore, if you were in the military service, received workers' compensation benefits or did not work because of a trade dispute during the base period, you may be able to substitute wages paid in prior quarters to make your claim valid or increase the benefit amount. If your claim is invalid because of extended unemployment during the base period, you may also be able to substitute wages paid in prior quarters to make the claim valid.

You will receive a weekly rate and maximum weekly benefit amount at least equal to the State Award rate and Maximum Benefit Award which you would have received if you were a participant in the State Disability Insurance (SDI) program. If this award is greater than the benefits you are receiving under this Plan, your benefit level will be adjusted to meet this award amount. If this award amount is less than your benefit level under the Plan, you will continue to receive the Plan benefit level.

Under the provisions of the California Unemployment Insurance Code, the Company or its authorized administrator shall have the right to (i) require supplemental forms from your, or the care recipient's, physician, or those authorized to certify to disabilities, as often as deemed necessary, and, (ii) have you, or the care recipient, examined by a physician while you are claiming benefits under the Plan. This may be done as often as may reasonably be required during the period benefit payments may be due under the Plan.

**What if my benefits result in an overpayment?** In the event that you are paid benefits by the Plan in excess of those to which you are entitled, the Plan has a right to recover such overpayment to the extent permitted under the California Unemployment Insurance Code and the California Code of Regulations. The Plan or Claims Administrator will make reasonable arrangements for you to repay the Plan. In no event will you be required to repay more than the amount of benefits paid to you.

**What if my claim is denied?** If you are denied benefits under this Plan, you may appeal the denial. You may appeal in person or in writing at any office of the Employment Development Department within thirty days from the date the notice of the denial was mailed. Written appeals must be signed and include your name, Social Security Account Number, the name of your employer and the reason you are filing the appeal.

Appeals for Paid Family Leave benefits must be sent to the following address: Paid Family Leave, PO Box 997017, Sacramento, CA 95799-7017 within thirty days of the denial.

You may continue to receive benefits pending the outcome of a timely appeal to an administrative law judge.

**STATE RATE**

When Plan benefits are limited to the State Plan rate, you will receive benefits equal to what SDI would have paid had you been an SDI participant.

The weekly and maximum benefit will be based on disability insurance taxable wages paid to you during the "base period." Such wages must total at least \$300.

<i><b>If your claim begins in:</b></i>	<i><b>Your "Base Period" is the twelve month period ending the prior:</b></i>
Jan/Feb/Mar	September 30th
Apr/May/Jun	December 31st
Jul/Aug/Sep	March 31st
Oct/Nov/Dec	June 30th

**STATE PLAN BENEFIT CALCULATION**

Whenever the calculation of your Disability or Paid Family Leave benefit is paid at your State Plan rate or between 60 or 70 percent of your earnings, your weekly benefit amount will be equal to or greater than the State Plan rate as provided in CUIC Section 2655.

For periods of disability commencing on or after January 1, 2018, but before January 1, 2025, the Voluntary Plan Disability Insurance and Voluntary Plan Paid Family Leave weekly benefit amount will be computed as follows:

If your highest quarterly wages are less than \$929, your weekly benefit amount will equal \$50.

If your highest quarterly wages are equal or greater than \$929 but less than one third of the amount of the State Average Quarterly Wages (Approximately \$7,154), your weekly benefit amount will be equal to 70% of your earnings divided by 13.

If your highest quarter wages are equal or greater than one third of the State Average Quarterly Wages (Approximately \$7,154), your weekly benefit amount will be the greater of 23.3% of the State Average Weekly Wage (\$1,651 for the first quarter of 2023), or 60% of your wages in your highest quarter of your base period divided by 13.

*This is a summary Statement of Coverage of the Santa Clara University California Voluntary Disability Plan. The Plan document actually governs the Plan and describes all of the provisions in more detail. A copy of the complete Plan document is available for your review at the Human Resources Department.*