

Table of Contents

Section 4: Disability

YOUR CALTECH DISABILITY BENEFITS	4.1
Short Term Disability.....	4.1
Paid Family Leave	4.1
Long Term Disability	4.1
YOUR BASIC AND SUPPLEMENTAL LONG TERM DISABILITY PLAN BENEFITS	4.2
QUALIFYING FOR BENEFITS	4.2
Pre-Existing Conditions Limitation	4.2
Mental Illness, Alcoholism or Drug Abuse Limitations.....	4.2
Evidence of Disability.....	4.3
Recurrent Disabilities	4.3
Benefit Reductions.....	4.4
Minimum Monthly Benefit	4.4
Maximum Monthly Benefit.....	4.4
Additional LTD Benefit	4.4
COST OF COVERAGE	4.5
Cost of Living Adjustment (COLA)	4.5
Changes in Coverage	4.5
Taxation of LTD Benefits	4.5
FILING CLAIMS	4.6
WHEN BENEFITS BEGIN	4.6
WHEN BENEFITS END	4.6
SURVIVOR BENEFIT	4.7
PHYSICAL LOSSES FOR ACCIDENTAL DISMEMBERMENT AND LOSS OF SIGHT	4.7
REHABILITATION BENEFIT	4.8
CHILD CARE EXPENSE BENEFIT	4.8
EXCLUSIONS	4.9
YOUR OTHER BENEFITS DURING DISABILITY	4.9
TERMS YOU SHOULD KNOW	4.10

YOUR CALTECH DISABILITY BENEFITS

Disability insurance coverage is designed to protect you against the loss of income that can accompany a Disability.

Short Term Disability (for Employees in the State of California only)

Employees may be covered for a short-term disability through the California State Disability Insurance (SDI) program. Cost for this coverage is paid by employees through a special state tax. There is a seven-calendar-day waiting period before benefits are paid. SDI benefits may be integrated with accrued sick leave and/or vacation pay. Payments under SDI are capped at 52 weeks.

For more information, contact State Disability Insurance at 1-800-480-3287 for English or at 1-866-658-8846 for Spanish. Their website is <http://www.edd.ca.gov/Disability>

Paid Family Leave (for Employees in the State of California only)

Disability compensation may be provided to individuals who take time off work to care for a seriously ill child, spouse, parent, domestic partner, sibling, grandparent or to bond with a new child. This program is known as Paid Family Leave (PFL) and is being administered by the California State Disability Insurance (SDI).

The cost for PFL coverage is paid by employees through their State Disability Insurance (SDI) deductions. There is a waiting period of seven calendar days before benefits are paid. PFL benefits are paid at the same rate as SDI benefits, and may also be integrated with accrued sick leave and/or vacation pay. Payments under PFL are capped at 6 weeks over a 12-month period.

For more information, contact the Paid Family Leave program at 1-877-BE-THERE for English or at 1-877-379-3819 for Spanish. Their website is http://www.edd.ca.gov/disability/paid_family_leave.htm.

Long Term Disability (LTD)

The following section summarizes the Basic and Supplemental LTD Plan. For more information, contact the Campus Disability & Leave Administration Unit or JPL Benefits Office.

YOUR BASIC LONG TERM DISABILITY AND SUPPLEMENTAL LONG TERM DISABILITY PLAN BENEFITS

You become eligible for the Basic Long Term Disability (LTD) and Supplemental LTD Plan coverage on the first of the month coincident with or next following the date of your hire or change to Benefit-Based Employee status. Caltech pays for your Basic LTD plan. You have the option to purchase additional coverage by enrolling in the Supplemental LTD plan. If you enroll in the Supplemental LTD plan after the first 31 days of your eligibility, you will be subject to Evidence of Insurability.

LTD coverage is designed to protect you against the loss of income that can accompany a long-term disability. The LTD plan provides you with a portion of your pay after the Elimination Period of 180 consecutive days of a Total Disability due to illness or injury, or when you have depleted all your sick leave, whichever is later.

Once you become eligible, you will be automatically enrolled in the Basic LTD plan. The Basic Plan provides you with 40% of your Basic Monthly Earnings minus other income benefits in effect on the day before your Disability to a maximum monthly benefit of \$10,000 minus other income benefits. If you enroll and have been approved for participation in the Supplemental Plan, your combined Basic plus Supplemental Plan Benefits provide you with 60% of your Basic Monthly Earnings minus other income benefits in effect on the day before your Disability to a maximum monthly benefit of \$17,500 minus other income benefits. Maximum Basic Monthly Earnings are covered up to \$25,000 for Basic Long Term Disability. Maximum Basic Monthly earnings

are covered up to \$29,167 for Supplemental Long Term Disability.

QUALIFYING FOR BENEFITS

Pre-Existing Conditions Limitation – Newly Eligible Employees and Late Applicants

A Pre-Existing Condition means you received medical treatment, care or services for a diagnosed condition or took prescribed medication for a diagnosed condition in the 3 months immediately prior to your effective date of coverage, and the Disability caused or substantially contributed to by the condition begins in the first 12 months after the effective date of coverage.

You are not covered for a disability caused or substantially contributed to by a pre-existing condition or medical or surgical treatment of a pre-existing condition.

Mental Illness, Alcoholism or Drug Abuse Limitations

When you are totally disabled due to Mental Illness, Alcoholism or Drug Abuse, and confined to a hospital or institution, the Monthly Benefit will be payable up to the end of Your Hospital, Mental Health Facility, or recovery program facility confinement, but in no event to exceed the Maximum Benefit Duration shown in the table on page 4.7.

While you are totally disabled due to Mental Illness, Alcoholism or Drug Abuse and not confined in a hospital or institution, the Monthly Benefit will be payable the lesser of:

- 1. 24 months; or

the Maximum Benefit Duration shown in the table on page 4.7. The maximum benefit duration for M&N for faculty and staff is 24 months unless

hospitalized at the end of the 24 month period. If the inpatient confinement last greater than 30 days following the 24 month period the benefit can be extended up to 90 days in any 12 month period.

But in no event will the Monthly Benefit be payable for longer than the Maximum Benefit Duration during of 24 months during a period of continuous Total Disability due to Mental Illness, Alcoholism or Drug Abuse, whether or not you are confined in a hospital or institution.

Evidence of Disability

You must obtain and submit medical documentation of your Disability from your doctor in order to receive benefits, and you must remain under a doctor's care to continue to receive benefits.

You will not receive any LTD benefits until the insurance carrier has received and approved evidence of your Disability. The insurance carrier may request proof of your Disability at any time.

Recurrent Disabilities

1. If, after a period of Disability for which a Monthly Benefit has been paid under This Plan, you:
 - a. resume your regular job on a full-time basis; and
 - b. perform all the material duties for less than six consecutive months;any Recurrent Disability will be a part of the same period of Disability. The liability for the entire period will be subject to the terms of This Plan for the prior Disability.
2. If, after a period of Disability for which a Monthly Benefit has been paid under This Plan, you:
 - a. resume your regular job on a full-time basis; and
 - b. perform all the material duties for six consecutive months or more;

any Recurrent Disability will be treated as a new period of Disability. You must complete a new Elimination Period before Monthly Benefits are payable.

3. If you become eligible for coverage under any other group long term disability policy, this Recurrent Disability provision will not apply.

Benefit Reductions

Your LTD benefits will be reduced by any amounts paid or payable from other sources, such as:

1. Any disability benefits for you, your spouse or child(ren) under Federal Social Security Act, Canadian Pension Plan, Quebec Pension Plan, Railroad Retirement Act or any similar plan or Act.
2. Temporary disability benefits under a workers' compensation law.
3. Amounts received under any other occupational disease law, Longshoreman's Harbor Worker's Act, Maritime Doctrine of Maintenance, Wages and Cure or similar act.
4. Any disability benefits under the Jones Act, any state compulsory/statutory benefit law, any government retirement system (including but not limited to the California State Teachers Retirement System (Cal STRS) and/or the California Public Employee Retirement System (CalPERS) or the Employers Retirement plan.
5. Any retirement benefits under federal Social Security Act, Canadian Pension Plan, Quebec Pension Plan, Railroad Retirement Act, the employer's retirement plan or any similar plan or act.

GROUP LONG TERM DISABILITY

6. Third party liability payments made by judgment, settlement or otherwise (minus attorney fees).
7. Sick pay.
8. Amounts received by compromise or settlement of any claim for permitted offsets (minus attorney fees).
9. Any salary continuation, personal time off, and annual leave pay.
10. Compensation earned during Rehabilitation Employment as set forth in the rehabilitative employment benefit provision of the EOC.

If there is reasonable good faith that you are entitled to disability benefits under the following sources, you must apply for such benefit.

1. Federal Social Security Act (primary and/or family benefits.)
2. Any state compulsory/statutory benefit law including California State Disability Insurance (SDI).

To apply for the benefits referenced above means to pursue such benefits with reasonable diligence until you receive the respective approval from the Social Security Administration and/or the appropriate state agency.

You must submit proof that you have applied for the benefits referenced above. If your application for such benefits is approved, your monthly benefit will be reduced by the amount actually paid to you from such sources. If you fail to apply for any of the benefits referenced above and to pursue such benefits with reasonable diligence and if there is a reasonable means of estimating the amount of such benefits payable, your monthly benefit will be reduced by the amount of such benefits estimated that you, your spouse and or child(ren) are eligible to receive because of your Disability. This estimate will start with

the first monthly benefit coincident with the date you were eligible to receive such benefits unless you have submitted proof that you have applied for and are pursuing these benefits with reasonable diligence, approval of your claim for these benefits or a notice of denial for these benefits.

When you do receive approval or notice of denial of the above referenced benefits you must submit this information immediately. The amount of your monthly benefit will be adjusted and you must promptly repay any overpayment.

Minimum Monthly Benefit

10% of the monthly benefit before reduction for other income benefits or \$100, whichever is greater.

Maximum Monthly Benefit

Basic Plan- \$10,000
Supplemental Plan - \$17,500

Additional LTD Information

While approved for LTD benefits, you may be eligible for life insurance premium waiver for yours, dependent and spousal coverage.

While on LTD, you will not have the option of electing to enroll or switch your medical or dental plans. You may disenroll Dependents as of the first day of any month. If you have a HIPAA special enrollment as described on page 2.9, you may enroll yourself or newly acquired Dependents or Dependents who have lost other coverage. If you are enrolled in an HMO plan, contact your plan prior to any change in residence. Refer to page 2.9 if you move outside of the HMO service area while on a disability leave of absence.

COST OF COVERAGE

The Institute provides Basic LTD coverage for all Benefit-Based Employees. The Institute pays premiums for coverage under The Basic Plan. Participation in the Supplemental LTD plan is voluntary. You pay premiums for coverage under the Supplemental LTD Plan. Your contribution to the LTD premium is \$0.19 per each \$100 of your Basic Monthly Earnings.

Example: If your Basic Monthly Earnings are \$2,000, your monthly premium is:

$$(\$2,000 \times .19) / \$100 = \$3.80$$

$$\text{Employee Monthly Premium} = \$3.80$$

Monthly LTD premiums are waived while receiving benefits under the plan.

Cost of Living Adjustment

A cost of living adjustment will be calculated for you on January 1 following 12 months of continuous disability.

You will be eligible for additional cost of living adjustments on each anniversary of the first adjustment, provided you have been continuously receiving Disability Benefits under This Plan. However, no more than 5 annual adjustment calculations will be made during a continuous period of Disability for which you are receiving Disability Benefits under This Plan.

Changes In Coverage

Your LTD benefit is based on a percentage of your Basic Monthly Earnings. If your Basic Monthly Earnings change, your level of coverage will change on the date which your new Basic Monthly Earnings are effective. Your premium will change during the payroll period in which your new Basic Monthly Earnings are effective. Increases in coverage will go into effect on that date only if you are Actively At Work; if you are not, they will go into effect on the date you return to active work. These changes will apply only to disabilities commencing thereafter.

Taxation of LTD Benefits

If benefits are received under a plan to which the employee has contributed, the portion of the disability income attributable to the employee's after-tax contributions is tax-free. Treas. Reg. Sec. 1.105-1(c).

FILING CLAIMS

After approximately 4 months of disability, the LTD insurance carrier will contact you to initiate your LTD claim. Written proof of a claim by you must be given to the insurance carrier not later than 90 days following the end of the 180 day Elimination Period. As part of your evidence of Disability, the insurance carrier may require you to give proof that you have applied for any of the income benefits described on page 4.4 to which you may be entitled.

Payment of benefits will begin only after your claim is received and approved. Benefits are paid to you at the end of each month that you are disabled.

WHEN BENEFITS BEGIN

LTD benefits begin when you have been disabled with the same condition for the later of 180 days or when you have exhausted your sick leave.

WHEN BENEFITS END

LTD benefits will end on the earliest of the following dates:

- The date you are no longer disabled.
- The date you fail to furnish proof that you are continuously disabled.
- The date you fail to have a medical exam, if requested by the insurance carrier.
- The date of your death.
- The completion of the maximum duration as shown in the table below the date that benefits end in the section titled Mental

GROUP LONG TERM DISABILITY

Illness, Alcoholism, and Drug Abuse
Limitations

RECOVERY FROM A DISABILITY

If You Return to Active Work Before Completing Your Elimination Period

- If you return to Active Work before completing the Elimination Period for a period of 30 days or less, and then you become Disabled again due to the same or related Sickness or accidental injury, the LTD insurance carrier will not require you to complete a new Elimination Period. We will count those days towards the completion of your Elimination Period.
- If you return to Active Work for a period of more than 30 days, and then become Disabled again, you will have to complete a new Elimination Period.

If You Return to Active Work After Completing Your Elimination Period

- If you return to Active Work after completing your Elimination Period for a period of 6 months or less, and then become Disabled again due to the same Sickness or accidental injury, the LTD insurance carrier will not require you to

complete a new Elimination Period. For the purpose of determining your benefit the LTD insurance carrier will use the same Predisability Earnings and apply the same terms, provisions and conditions that were used for the original Disability.

- If you return to Active Work for a period of more than 6 months and then become Disabled again, you will have to complete a new Elimination Period.

AGE WHEN DISABLED	DURATION OF LTD BENEFITS	
	Faculty	Staff
Younger than 61	To end of month in which you turn age 68 (Minimum 24 months)	To end of month in which you turn age 65
61-62	To end of month in which you turn age 68 (Minimum 24 months)	42 months
63	To end of month in which you turn age 68 (Minimum 24 months)	36 months
64	To end of month in which you turn age 68 (Minimum 24 months)	30 months
65	To end of month in which you turn age 68 (Minimum 24 months)	24 months
66	21 months	21 months
67	18 months	18 months

68	15 months	15 months
69 or older	12 months	12 months

SURVIVOR BENEFIT

If you die after satisfying the 180- -day elimination period and while a Monthly Benefit is payable, the insurance carrier will pay to your Eligible Survivor a lump sum amount equal to six times (effective 1/1/2011) your last Monthly Benefit. Proof of your death must be provided to the LTD insurance carrier before any benefit under this section would be payable. For the purpose of this section, a certified copy of a death certificate will establish proof.

Upon your death, the LTD insurance carrier will pay the amount due to your eligible survivor. If you die while totally disabled, a single, lump sum benefit will be paid under this provision if there is an Eligible Survivor as defined below:

- Your legally married spouse or domestic partner at the date of your death.
- If there is no such spouse, your biological or legally adopted child who, when you die:

is not married; and

is under age 25. This age limit will not apply if the child is not capable of self-sustaining employment because of mental or physical handicap which existed prior to age 25.

The benefit will be paid to your eligible surviving spouse, if any. Otherwise, it will be paid in equal shares to your eligible surviving children.

Please note that the benefit amount will be reduced by any overpayment the LTD carrier is entitled to recover.

REHABILITATION BENEFIT

While you are disabled, you are encouraged to work or participate in a rehabilitation program during your elimination period or while receiving monthly benefits. When you work while disabled you will receive the sum of the following amounts:

1. your monthly benefit (including your Rehabilitation Incentive when applicable),
2. the amount of your earnings for working while disabled,

3. the amount of Child care expenses for which you are eligible.

During the 24-month period following your elimination period, your monthly benefit will be reduced if the total amount you receive from the above sources and other sources listed on page 4.4 exceeds 100% of your Basic Monthly Earnings, including any adjustment to such earnings as provided for in the definition of partial disability listed on page 4.10 Your monthly benefit will be reduced by that portion of the amount you receive which exceeds 100% of such Basic Monthly Earnings or Adjusted Basic Monthly Earnings.

GROUP LONG TERM DISABILITY

After the 24-month period following your return to work, your monthly benefit will be reduced by 50% of your earnings from working while disabled. Your monthly benefit will be further reduced if the total amount you receive from the above sources and other sources listed on page 4.4 exceeds 100% of your Basic Monthly Earnings, including any adjustment to such earnings as provided for in the definition of partial disability listed on page 4.10. Your monthly benefit will be reduced by that portion of the amount you receive which exceeds 100% of such Basic Monthly Earnings or Adjusted Basic Monthly Earnings.

While Disabled, if you participate in a rehabilitation program approved by the insurance carrier, your monthly benefit percentage is increased by 10% up to a maximum of \$500, for 6 consecutive months while in the approved Rehabilitation program..

If your monthly benefit is reduced as a result of receiving earnings from any work or service while disabled, the Minimum Monthly Benefit will not apply.

EXCLUSIONS

No benefits will be paid for a Disability or physical loss if:

- You are not under continuing medical supervision and treatment by a physician to the satisfaction of the insurance carrier.
- The Disability is caused by an intentionally self-inflicted injury, illness or attempted suicide.
- The Disability is caused by a bodily injury resulting directly or indirectly from:
 - insurrection, rebellion, war (e.g., acts of war, whether declared or undeclared), service in the armed forces of any country unless while on a paid leave of absence where premiums for coverage have been paid; or
 - participation in a riot.

- The Disability is as a result of the commission of a felony.

YOUR OTHER BENEFITS DURING DISABILITY

There are special rules regarding continuation of your group life insurance and other coverage while you are on a disability leave of absence. These rules are described in the *General Information* Section 2.

TERMS YOU SHOULD KNOW***Active Work***

You are performing all of your usual and customary duties of your job for your regularly scheduled hours.

Basic Monthly Earnings

Your monthly rate of pay excluding overtime and other extra pay you receive. The amount of Basic Monthly Earnings in effect on the date of your Disability will be used to compute your Monthly Benefit.

Eligible Survivor

Your lawful Spouse, Same-Sex Domestic Partner or Registered Domestic Partner, if living, otherwise your children who are under age 26. The term “children” also includes stepchildren and legally Adopted children.

Disability or Disabled

As a result of Sickness or Injury, you are either Totally Disabled or Partially Disabled.

Total Disability or Totally Disabled

During the elimination period and the next 24 months, you are unable to perform with reasonable continuity the Substantial and Material Acts necessary to pursue your Usual Occupation in the usual and customary way.

After such period, you are not able to engage with reasonable continuity in any occupation in which you could reasonably be expected to perform satisfactorily in light of your age, education, training, experience, station in life and physical and mental capacity that exists within any of the following locations:

1. a reasonable distance or travel time from your residence in light of the commuting practices of your community,

2. a distance of travel time equivalent to the distance or travel time you traveled to work before becoming disabled,
3. the regional labor market, if you resided prior to becoming disabled in a metropolitan area.

Partial Disability or Partially Disabled

As a result of Sickness or Injury while actually working in an occupation, you are unable to earn 80% or more of your Basic Monthly Earnings.

If you are partially disabled and have been continuously receiving monthly benefits under the plan, your Basic Monthly Earnings will be adjusted only for the purposes of determining whether you continue to be partially disabled. We will make the initial adjustment by adding to your Basic Monthly Earnings an amount equal to your Basic Monthly Earnings times the annual rate of increase in the Consumer Price Index for the prior calendar year.

This first adjustment will take place on the date the 13th disability benefit payment is payable. Subsequent adjustments will take effect on each anniversary of the first increase.

You must be under the Regular Care of a doctor unless Regular Care will not improve the condition(s) causing the disability or will not prevent a worsening of the condition(s) causing your disability.

Elimination Period

The period of your Disability in which the LTD insurance carrier does not pay benefits. The Elimination Period lasts for the later of 180 days or the end of a period in which you are receiving sick leave.

Regular Care

GROUP LONG TERM DISABILITY

You personally visit a Doctor(s) as frequently as is medically required to effectively manage and treat the condition(s) causing your disability and you are receiving appropriate treatment and care which conforms with generally accepted medical standards for the condition(s) causing your disability.

Prior to the initial payment of benefits, provided you are receiving appropriate treatment and care which conforms with generally accepted medical standards for the condition(s) causing your disability, if the time period between your visits to a Doctor(s) is reasonable, you will be deemed to have satisfied the Regular Care of a doctor requirement, even if this results in a visit to a Doctor(s) occurring after the end of the Elimination Period.

Substantial and Material Acts

The important tasks, functions and operations generally required by employers from those engaged in your Usual Occupation that cannot be reasonably omitted or modified. In determining what Substantial and Material acts are necessary to pursue your Usual Occupation, first the specific duties required by your job are looked at. If you are unable to perform one or more of these duties with reasonable continuity, then it will be determined whether those duties are customarily required of other employees engaged in your usual occupation. If any specific, material duties required of you by your job differ from the material duties customarily required of other employees engaged in your usual occupation, then those duties will not be considered in determining what Substantial and Material acts are necessary to pursue your Usual Occupation.

Usual Occupation

Any employment, business, trade or profession and the Substantial and Material acts of the occupation you were regularly performing for your employer when the disability began. Usual Occupation is not necessarily limited to the

specific job that you performed for your employer.

Injury

Physical harm that is not a sickness. The injury must occur and disability must begin while you are covered under the plan.