

Northeastern University

Interim Disability
Salary Continuation Policy

Restated Effective Date January 1, 2012

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Overview of Policy

This Interim Disability/Salary Continuation Policy (the “Policy”) is a short term disability income protection benefits sponsored by Northeastern University (the “University”) to continue a portion of your salary in the event an approved sickness or injury prevents you from working for a period of time you are on an active appointment. This Policy does not provide benefits for occupational injuries or sicknesses. Detailed information about your eligibility for coverage, what benefits are payable, how to file a claim, and other features of this Policy are contained in this document.

The benefits provided through this policy are administered by Northeastern University. The University has engaged Liberty Mutual to provide assistance with certain administrative claims handling services on our behalf. Neither Northeastern University nor Liberty Mutual insures the benefits under this Policy, or has any responsibility to fund benefits under the Policy.

The University reserves the right to modify, amend, suspend or terminate, in whole or in part, any of the provisions of this Policy at any time for any reason or for no reason. When making a benefit determination under the Policy, the University has the discretionary authority to determine your eligibility for benefits and to interpret and enforce the terms and provisions of the Policy. We may delegate some or all of this authority to Liberty Mutual at any time.

This policy is written in easy to understand language. If you do not understand any of the terms in it, or desire more information, you should contact us at Human Resources Management at 617-373-2230. Many of the terms used in this policy are defined in the Definitions Section. Be sure to read all the definitions so that you will understand the Policy fully.

III. Summary of Benefits

This Summary of Benefits highlights many of the features of this Policy. Refer to each section for a more complete description of benefits under the Policy.

EMPLOYER: Northeastern University

ELIGIBLE GROUP(S):

To be eligible for benefits, you must be a member of the following eligible groups:

Group 1

Faculty: Employed in a benefits eligible position with an annual appointment of 2/3rd time or more in active employment with the University.

Group 2

Staff: Employed in a benefits eligible position with a work schedule at least 24 hours per week or full-time for at least 8 months per year in active employment with the University.

MINIMUM HOURS REQUIREMENT:

To be eligible for benefits, you must meet the following requirements:

Faculty

Employees working at least 24 hours per week.

Staff

Employees working at least 24 hours per week annually or 35 hours per week for at least 8 months.

Normal vacation is considered active employment. Temporary and seasonal workers are excluded from coverage.

WAITING PERIOD:

First of the month following one year of employment in a benefits eligible position, unless the waiver provision applies.

WAIVER PROVISION:

If you were insured for a long-term disability policy by a previous employer, within the four-month period prior to joining the University, and you provide a completed waiver form from your previous employer within 30-days of joining the University showing proof of prior coverage, the one year service period will be waived.

Waiver forms may be obtained from our website at www.northeastern.edu/hrm

REHIRE:

If your employment ends and you are rehired by the University, within 3 months, your previous work while in an eligible group will apply toward the waiting period. All other Policy provisions apply.

ELIMINATION PERIOD:

The later of:

- **30** days for disability due to an injury ; or
- **30** days for disability due to a sickness; or
- the date your earned sick time is exhausted

Benefits begin the day after the elimination period is completed.

WEEKLY BENEFIT AMOUNT:

60% of your earnings

MAXIMUM PERIOD OF PAYMENT: 180 Days or the date LTD benefits are approved, whichever is earlier.

IV. Eligibility

WHEN ARE YOU ELIGIBLE FOR COVERAGE?

If you are in an eligible group and working the minimum hours required, you are eligible for coverage once you have completed the waiting period.

WHEN DOES YOUR COVERAGE BEGIN?

You will be covered at 12:01 a.m. on the date you are eligible for coverage.

WHAT IF YOU ARE ABSENT FROM WORK ON THE DATE YOUR COVERAGE WOULD NORMALLY BEGIN?

If you are absent from work due to injury or sickness, your coverage will begin on the date you return to active employment.

WHEN WILL CHANGES TO YOUR COVERAGE TAKE EFFECT?

Once your coverage begins, any increase in salary will take effect immediately if you are in active employment. If you are not in active employment due to injury or sickness, any increase in salary will begin on the date you return to active employment.

WHEN DOES YOUR COVERAGE END?

Your coverage under the Policy ends on the earliest of:

- the date the Policy is terminated by the University;
- the date you are no longer in an eligible group;
- the date your eligible group is no longer covered;
- the date LTD benefits are approved;
- the last day you are in active employment.

WHAT HAPPENS IF YOU ARE ON A LEAVE?

If you are on a leave, including a Family and Medical Leave, coverage will be managed in accordance with the applicable leave policy.

V. Benefit Provisions

WHEN ARE YOU CONSIDERED DISABLED?

You are disabled when it is determined that due to your **sickness or injury**:

- you are unable to perform the **material and substantial duties** of your **regular occupation**; and
- you are not working in any occupation.

The loss of a professional or occupational license or certification does not, in itself, constitute disability.

WHEN ARE YOU CONSIDERED DISABLED IF YOU ARE PREGNANT?

Generally, you may be considered disabled:

- 6 weeks following a normal delivery
- 8 weeks following a Cesarean delivery

Your disability status is evaluated on a case-by-case basis.

Please refer to the Leave Policy at www.northeastern.edu/hrm for additional information

HOW LONG MUST YOU BE DISABLED BEFORE YOU ARE ELIGIBLE TO RECEIVE BENEFITS?

You must be continuously disabled through your **elimination period** in order to be eligible for benefits. A new elimination period will be applied to each disability.

WHAT HAPPENS IF YOU RETURN TO WORK FULL TIME AND YOUR DISABILITY OCCURS AGAIN?

If you return to work with us on a full time basis for fourteen consecutive days or less, and you again become disabled, then your current disability will be treated as part of your prior claim and you will not have to complete another elimination period. If you return to work full time for fifteen or more consecutive days, your current disability will be treated as a new claim. The new claim will be subject to all of the provisions of the Policy and you will be required to satisfy a new elimination period. Absences related to a new or different illness/injury will be treated as a new claim.

WHEN WILL YOU BEGIN TO RECEIVE PAYMENTS?

You will begin to receive payments when your claim is approved, providing the elimination period has been met.

HOW MUCH WILL YOUR BENEFIT AMOUNT BE WHEN YOU ARE DISABLED AND NOT WORKING?

The following process will be followed to compute your payments:

1. Multiply your **base salary by 60%**.

WHAT IS YOUR BASE SALARY?

Means your base salary from the University before taxes and prior to deductions made for pre-tax contributions to an Employer Sponsored Employee Benefit plan.

WHAT WILL WE USE FOR YOUR BASE SALARY IF YOU BECOME DISABLED DURING A LEAVE OF ABSENCE?

If you become disabled while you are on a leave of absence and are covered under this Policy, we will use your earnings in effect just prior to the date your absence begins.

HOW LONG WILL YOU RECEIVE PAYMENTS?

You will continue to receive a payment provided your contract/appointment does not end and you continue to meet the definition of disability and continue to be eligible for the policy, up to the **maximum period of payment**.

WHAT HAPPENS TO MY BENEFITS?

You will continue to have deductions from your pay for all of the benefit programs that you were participating in prior to your date of disability:

Health and Dental
Optional Life Insurance
403b Retirement Plan
Health and Dependent Care Reimbursement
MetLife Auto & Home Program
Long Term Care
Credit Union

WHEN WILL PAYMENTS STOP?

Payments will stop and your claim will end on the earliest of the following:

- the end of the maximum period of payment;
- the date you are no longer disabled under the terms of the Policy;
- the date you fail to submit proof of continuing disability;
- the date your contract appointment ends;
- date you die

VI. Exclusions and Limitations

Benefits will not be paid for any disabilities caused by, contributed to by, or resulting from your:

- **occupational sickness or injury,**
- intentionally self-inflicted injuries, while sane or insane,
- active participation in a riot,
- loss of a professional license, occupational license or certification,
- cosmetic surgery, except surgery made necessary by accidental injury incurred while covered under the Policy,
- commission of a crime for which you have been convicted, or
- attempt to commit a crime.

The Policy will not cover a disability due to war, declared or undeclared, or any act of war.

We will not pay a benefit for any period of disability during which you are incarcerated.

VII. CLAIM AND APPEAL INFORMATION

WHEN DO YOU NOTIFY US OF A CLAIM?

You must notify HRM/Benefits of any absence expected to exceed 5 days so that a claim decision can be made in a timely manner. Written notice of a claim should be sent to HRM/Benefits within 10 days after the date your disability begins.

You must notify HRM/Benefits immediately when you return to work in any capacity.

HOW DO YOU FILE A CLAIM?

A claim form, which can be used as your proof of claim, is available from HRM/Benefits.

You must fill out the employee section of the claim form and then give it to your attending physician. Your physician should fill out his or her section of the form and send it directly to HRM/Benefits. HRM/Benefits will complete the Employer section of the form.

WHAT INFORMATION IS NEEDED AS PROOF OF YOUR CLAIM?

Your proof of claim must show:

- that you are under the **regular care** of a **physician**;
- the date your disability began;
- the cause of your disability;
- the extent of your disability, including restrictions and limitations preventing you from performing your regular occupation; and
- the name and address of any **hospital, institution** or other source where you received treatment, including all attending physicians' names and addresses.

You must send proof of continuing disability indicating that you are under the regular care of a physician. This must be received every 4 weeks.

In some situations you may need to give HRM/Benefits and Liberty Mutual authorization to obtain additional medical information in order to evaluate your eligibility for benefits, and to provide non-medical information as part of your proof of claim, or proof of continuing disability. We will deny your claim, or stop sending you payments, if the appropriate information is not submitted.

REQUESTS FOR A SECOND OPINION

The University as well as Liberty Mutual may require you to be examined by a physician, other medical practitioner and/or vocational expert. This examination will be at no cost to you and can be required as often as it is reasonable to do so.

TO WHOM WILL PAYMENTS BE MADE?

Payments will be made to you.

WHAT HAPPENS IF YOUR CLAIM IS OVERPAID?

The University has the right to recover any overpayments due to:

- fraud;

- any error made in processing a claim

You must repay the University for any overpayment in your claim. Alternatively, the University may reduce or eliminate future payments instead of requiring repayment.

FRAUD WARNING

The University takes fraud very seriously. If you, with intent to defraud or knowing that you are facilitating a fraud against the University, submit an application or file a claim containing a false or deceptive statement, the University will assert all legal and equitable rights against you and pursue all legal and equitable remedies we have against you.

CLAIM AND APPEAL PROCEDURES

Upon receipt of the required proof of claim, a decision on your claim will be made promptly. If you fail to supply the needed information, your claim will be denied.

We will notify you in writing if a claim or any part of a claim is denied. The denial letter will state:

- the specific reason(s) for the denial with reference to the applicable Policy provision(s);
- a description of any additional material or information that is necessary to complete the claim;
- an explanation of why the additional material or information is necessary;
- a statement describing your access to documents; and
- a statement describing your appeal rights.

If you are not satisfied with the reason(s) for the denial, you or your representative may ask to have the claim reviewed by the University. Your appeal must be in writing and must be sent to HRM/Benefits within 180 days of your denial notice. Your appeal should include all supporting materials or information that will help us to review the claim. We will review your appeal and all new information submitted and notify you or your representative of our decision promptly. In some cases, we may request that you provide additional information to assist in the review.

VIII. DEFINITIONS

ACTIVE EMPLOYMENT means you are working for the University for a base salary that is paid regularly and you are performing the material and substantial duties of your regular occupation. You must be working at least the minimum number of hours as described under the minimum hours requirements. Normal vacation is considered active employment.

EARNINGS means your base salary from the University as received on your pay cycle in effect just prior to your date of disability.

ELIMINATION PERIOD means a period of continuous disability which must be satisfied before you are eligible to receive benefits.

EMPLOYEE means a person who is in active employment with the University.

EMPLOYER means the entity identified on the cover page and listed in the Summary of Benefits.

HOSPITAL OR INSTITUTION means a facility licensed to provide medical care and treatment for the condition causing your disability.

INJURY means a bodily injury that is the result of an accident.

LEAVE OF ABSENCE means you are temporarily absent from active employment for a period of time that has been agreed to in advance in writing. Your normal vacation time or any period of disability is not considered a leave of absence.

LIMITED means what you cannot or are unable to do.

MATERIAL AND SUBSTANTIAL DUTIES means duties that:

- are normally required for the performance of your regular occupation

MAXIMUM CAPACITY means, based on your restrictions and limitations, the greatest extent of work you are able to do in your regular occupation that is reasonably available.

MAXIMUM PERIOD OF PAYMENT means the longest period of time the Policy will make payments to you for any one period of disability.

OCCUPATIONAL SICKNESS OR INJURY means a sickness or injury that was caused by or aggravated by any employment for pay or profit.

PAYABLE CLAIM means a claim for which the Policy is liable.

PHYSICIAN means:

- a person performing tasks that are within the limits of his or her medical license; and
- a person who is licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- a person with a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- a person who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

You, or your spouse, children, parents or siblings will not be considered as a physician for a claim that you send to us.

REGULAR CARE means:

- you personally visit a physician as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conforms with generally accepted medical standards, for your disabling condition(s) by a physician whose specialty or experience is the most appropriate for your disabling condition(s).

REGULAR OCCUPATION means the job you are routinely performing when your disability begins.

SICK LEAVE means the Sick Leave Policy as stated in the University's Administrative Manual.

SICKNESS means an illness or disease.

WAITING PERIOD means the continuous period of time (shown in the Summary of Benefits) that you must be in active employment in an eligible group before you are eligible for coverage under the Policy.

WE, US and OUR mean the Employer, as identified on the cover page.

YOU means a person who is eligible for coverage under the Policy.