

COUNTY OF INYO

SHORT TERM DISABILITY

INSURANCE PLAN

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COUNTY OF INYO SHORT TERM DISABILITY INSURANCE PLAN

This document is the second amendment to and complete restatement of the County of Inyo Short Term Disability Plan effective January 1, 1994, as amended and restated September 18, 2013 (the “Plan”). The Plan is designed to provide compensation for (i) wage loss due to sickness or an injury that is not work-related or (ii) paid family leave. This second amendment to the Plan is effective as of January 1, 2018.

ARTICLE I DEFINITIONS

1.1 Definitions.

(a) “Base Period” means the twelve (12) months ending two full Calendar Quarters prior to the date a Disability or Paid Family Leave claim began. To illustrate: if a claim begins in January, February or March, the base period is the 12 months ending the previous September 30; if a claim begins in April, May, or June, the base period is the 12 months ending the previous December 31; if a claim begins in July, August, or September, the base period is the 12 months ending the previous March 31; and if a claim begins in October, November or December, the base period is the 12 months ending the previous June 30.

(b) “Benefited” means an employee who is eligible to receive benefits under pension, profit-sharing, savings, bonus, incentive, insurance, welfare or other employee benefit plans.

(c) “Calendar Quarter” means a period of three consecutive months commencing with the first day of January, April, July, or October.

(d) “Disability” means a physical or mental illness or injury that renders an employee unable to perform his or her regular customary work (excluding workers’ compensation illness or injury).

(e) “Disability Benefit Period” means the continuous period of unemployment due to a Disability, beginning with the first day an employee files a valid claim for disability benefits. Successive periods of Disability due to the same or related conditions and separated by not more than fourteen (14) days is considered to be one Disability Benefit Period.

(f) “Paid Family Leave Benefit Period” means the period of unemployment beginning with the first day an employee establishes a valid claim for benefits for Paid Family Leave.

(g) “Paid Family Leave” means a period of unemployment to either (1) bond with a new minor child within the first year of the child’s birth or placement in connection with foster care or adoption or (2) care for a child, parent, spouse, domestic partner, grandparent, grandchild, sibling, or parent-in-law who has a serious health condition.

(h) “Family Member” means child, parent, spouse, domestic partner grandparent, grandchild, sibling, or parent-in-law.

(i) “Physician” means a licensed medical or osteopathic physician, surgeon, optometrist, dentist, osteopath, chiropractor, podiatrist, or psychologist acting within the scope of his or her practice.

(j) “Practitioner” means a person duly licensed or certified in California acting within the scope of his or her license or certification or, as to normal pregnancy or childbirth, a nurse-midwife or nurse practitioner.

(k) “Termination of Employment Relationship” means that employment ceases with no mutual expectation of intention to continue the employment relationship. Reasons for termination of an employer-employee relationship include, but are not limited to, separation, dismissal, resignation, and retirement.

(l) “Waiting Period” means seven (7) consecutive calendar days of absence for a Disability Benefit Period (or Paid Family Leave Benefit Period commencing December 31, 2017 or before), or the prevailing waiting period established by the State of California. There is no Waiting Period for Paid Family Leave benefits for claims with a start date of January 1, 2018 or after.

All other terms not specifically defined in this Plan have the meanings as defined in Division 1 Part 2 of the California Unemployment Insurance Code (“CUIC”) (Sections 2601 through 3306) relating to disability and paid family leave benefits.

ARTICLE II ELIGIBILITY

2.1 Eligible Employees.

All employees of the County of Inyo (the “County”) are eligible for inclusion in the Plan (a “Participant”), with the following exclusion:

(a) Any temporary and/or seasonal employee (as defined in the Inyo County Personnel Rules and Regulations), reserve deputies, interns, and retired annuitants.

2.2 Effective Date of Coverage.

An individual currently employed by the County on the effective date of this amendment and restatement of the Plan is immediately eligible for coverage and is covered under the Plan unless he or she specifically rejects coverage in writing. New employees will become eligible on the date of employment and will be covered as of his or her date of employment unless he or she specifically rejects coverage in writing.

A Participant may withdraw from the Plan as of the beginning of any Calendar Quarter upon reasonable written notice to the County. A Participant who rejects or withdraws coverage may subsequently elect in writing to be covered by the Plan, in which case coverage will commence on the first day of the Calendar Quarter following the date the employee elects coverage.

2.3 Termination of Coverage.

Prior to the commencement of a Disability Benefit Period or Paid Family Leave Benefit Period, a Participant's coverage ceases under this Plan on:

- (a) Termination of the Plan;
- (b) Midnight on the date a Participant withdraws from the Plan; or
- (c) Midnight on the date of Termination of Employment Relationship.

**ARTICLE III
CONTRIBUTIONS**

3.1 Premium Amount.

Beginning January 1 of every calendar year the premium shall be one percent of each Participant's base salary to a maximum of the State of California's current rate (the "Premium").

3.2 Premium Payment.

The Premium shall be paid by the County for all Benefited employees. Pursuant to Inyo County Memoranda of Understanding, the premium payment for APAR category employees who wish to participate in the plan shall be paid by the employee through payroll deduction.

**ARTICLE IV
BENEFITS**

4.1 Disability Benefits.

- (a) Waiting Period.

Disability benefits are payable after the Waiting Period and will begin on or by the eighth (8th) consecutive day of Disability. A Participant is not required to exhaust vacation, sick leave, and/or compensatory time off before qualifying under this Plan.

- (b) Duration and Amount.

The weekly benefit amount will be equal to the State of California rate as provided in CUIC Section 2655, currently¹ sixty to seventy percent (60-70%) of a Participant's earnings during a Calendar Quarter divided by thirteen (13), up to a maximum of the workers' compensation temporary disability indemnity weekly benefit amount. The daily benefit amount is calculated by dividing a Participant's weekly benefit amount by seven (7). The maximum benefit is calculated by multiplying the weekly benefit amount by fifty-two (52) or adding the total wages during a Participant's Base Period, whichever is less.

¹ The current calculation rates are effective for periods of disability commencing on and after January 1, 2018, but before January 1, 2022, when the rate is scheduled to return to approximately 55%.

4.2 Paid Family Leave Benefits.

(a) Waiting Period.

Paid Family Leave benefits are payable after the Waiting Period, if applicable. A Participant is not required to exhaust vacation, sick leave, and/or compensatory time off before qualifying under this Plan.

A Disability Benefit Period for pregnancy and a Paid Family Leave Benefit Period for bonding associated with the birth of that child are considered one (1) Disability Benefit Period for the mother (and therefore have one (1) Waiting Period associated with the Disability Benefit Period). The weekly benefit amount for such bonding claim shall not be less than the weekly benefit amount of the related Disability pregnancy claim regardless of the amount of wages in the Base Period used to calculate the Paid Family Leave benefit amount.

(b) Duration and Amount.

The weekly benefit amount will be equal to the State of California rate as provided in CUIC Section 2655, currently sixty to seventy percent (60-70%) of a Participant's earnings during a Calendar Quarter divided by thirteen (13), up to a maximum of the workers' compensation temporary disability indemnity weekly benefit amount. The daily benefit amount is calculated by dividing a Participant's weekly benefit amount by seven (7). The maximum benefit is calculated by multiplying the weekly benefit amount by six (6) or adding the total wages during a Participant's Base Period, whichever is less.

No more than eight (8) weeks of Paid Family Leave benefits shall be paid within any twelve (12) month period.

4.3 Payment Date.

Benefits shall be paid on regular County paydays.

4.4 Simultaneous Coverage.

If a Participant has more than one employer, he or she may have simultaneous coverage and be eligible for Disability and/or Paid Family Leave benefits from more than one disability insurance plan, including one or more voluntary plans and State Disability Insurance ("SDI"). When benefits are calculated under simultaneous coverage, the liable plans equally share the weekly and maximum benefit rate. SDI is counted as one plan even if the Participant works for more than one SDI-covered employer.

4.5 Exclusions.

(a) Disability Benefits.

No Disability benefits are payable under the following conditions:

(1) For any days for which the Participant receives wages from the County, except that a Participant may receive wages plus benefits as long as the combined amount does not exceed the Participant's regular weekly wage, excluding overtime pay, immediately prior to the commencement of the leave;

(2) For any days for which the Participant has received or is entitled to receive unemployment insurance benefits from any state or federal government;

(3) For any days for which the Participant has received or is entitled to receive disability insurance benefits from any state or federal government, including paid family leave benefits;

(4) For any days for which the Participant has received or is entitled to receive (i) temporary disability indemnity under a workers' compensation law of any state or federal government, (ii) temporary disability benefits under any employer's liability law of any state or federal government, or (iii) permanent disability benefits for the same injury or illness under the workers' compensation law of any state or federal government (collectively, the "Other Benefits"), except that Disability benefits are payable to the extent that the weekly benefit amount exceeds the amount payable under the Other Benefits;

(5) If the Participant is confined by court order or certification as a dipsomaniac, drug addict, or sexual psychopath;

(6) If the Participant is incarcerated in any federal, state, or municipal penal institution, jail, medical facility, or public or private hospital or in any other place because of a criminal conviction under a federal, state, or municipal law or ordinance; or

(7) If the Participant's Disability is caused by or arises out of the commission, arrest, investigation, or prosecution of any crime that results in a felony conviction.

(b) Paid Family Leave Benefits.

A Participant who is entitled to leave under the Family and Medical Leave Act ("FMLA") and the California Family Rights Act ("CFRA") must establish his or her Paid Family Leave claim concurrent with leave taken under those laws.

No Paid Family Leave benefits are payable under the following conditions:

(1) For any days for which the Participant receives wages from the County, except that a Participant may receive wages plus benefits as long as the combined amount does not exceed the Participant's regular weekly wage, excluding overtime pay, immediately prior to the commencement of the leave;

(2) For any days for which the Participant has received or is entitled to receive unemployment insurance benefits from any state or federal government;

(3) For any days for which the Participant has received or is entitled to receive disability insurance benefits from any state or federal government, including paid family leave benefits;

(4) For any days for which the Participant has received or is entitled to receive Other Benefits under a workers' compensation law or any employer's liability law any state or federal government, except that benefits are payable to the extent that the weekly benefit amount exceeds the amount payable under the Other Benefits; or

(5) For any days for which another Family Member is ready, willing, and able and available to provide the required care.

4.6 Overpayments.

The Participant shall be required to repay any overpayment from the Plan to the extent permitted under the CUIC and the California Code of Regulations. The County shall make reasonable arrangements with the Participant or his or her legal representative for the repayment to the Plan, including but not limited to the reduction of future benefits under the Plan or the reduction of future pay from the County as allowed under the CUIC and California Code of Regulations.

4.7 Employment Status.

During the benefit period under the Plan, a Participant's employment status will be labeled "disability leave". County regulations regarding leave of absence without pay are applicable, except that the health plan shall be maintained as if the Participant were at work, in accordance with the FMLA.

ARTICLE V DETERMINATION

5.1 Determination of Disability.

A Participant may be eligible for Disability benefits if he or she:

- (a) is unable to perform his or her regular or customary work
 - (1) because of a physical or mental illness or injury, including but not limited to pregnancy, childbirth, or related medical condition; or
 - (2) because of a written order from a state or local health officer because he or she is infected with, or suspected of being infected with, a communicable disease; or
 - (3) because he or she is referred or recommended by a Physician or Practitioner to participate as a resident in an approved alcoholic recovery program or an approved drug-free residential program, and

(b) submits the applicable County-provided claim form within the prescribed time, as set forth in Section 6.1 below, including a medical certificate of a treating Physician or Practitioner establishing the sickness, injury, or pregnancy of the Participant and containing:

- (1) a diagnosis and diagnostic code prescribed in the International Classification of Diseases or, where not diagnosis has yet been obtained, a detailed statement of symptoms; and
- (2) a statement of medical facts, including secondary diagnosis when applicable, within the Physician or Practitioner's knowledge and based on a physical examination and a documented medical history of the Participant by the Physician or Practitioner; and
- (3) the Physician's or Practitioner's conclusion as to the Participant's Disability; and
- (4) a statement of the Physician's or Practitioner's opinion as to the expected duration of the Disability.

If the reason a Participant is unable to work is due to participation as a resident in an approved alcoholic recovery program or an approved drug-free residential program, the medical certificate need not show actual disability so long as it states that the Participant has been referred by a Physician or Practitioner to participate as a resident in either an approved alcoholic recovery program or approved drug-free residential program. For residents in approved alcoholic recovery or drug-free residential programs, the Plan shall pay benefits for a period not to exceed thirty (30) days or forty-five (45) days, respectively. Participants in an approved alcoholic recovery home or drug-free residential facility shall receive an additional sixty (60) days or forty-five (45) days of benefits, respectively, if the referring Physician or Practitioner certifies to the need for continuing resident service.

Notwithstanding the above, (i) a medical certificate shall not be required if, where a Participant is entitled to receive benefits reduced by temporary workers' compensation benefits, the Participant submits evidence of receipt of temporary disability benefits under a workers' compensation law, and (ii) where the Participant adheres to the teachings of a bona fide church, sect, denomination, or organization and depends entirely upon prayer or spiritual means for healing, no medical examination shall be required and the Disability may be supported by a certificate from a duly authorized and accredited practitioner of such church, sect, denomination, or organization.

5.2 Determination of Paid Family Leave.

A Participant may be eligible for Paid Family Leave benefits if he or she:

- (a) is unable to perform his or her regular or customary work
 - (1) because he or she is providing care to a seriously ill Family Member; or

- (2) because he or she is bonding with a new minor child within the first year of the child's birth or placement in connection with foster care or adoption; and

(b) submits the applicable County-provided claim form within the prescribed time, as set forth in Section 6.1 below, including the medical certificate establishing a Family Member's serious health condition, as described below, or applicable supporting documentation that provides satisfactory evidence of the birth, adoption, or foster care placement of the child and that verifies the relationship of the Participant to such child.

The certificate required to establish medical eligibility of the serious health condition of a Family Member must be by the treating Physician or Practitioner, and the information must be within the Physician or Practitioner's knowledge and based on a physical examination and a documented medical history of the Family Member, and contain the following:

- (1) a diagnosis and diagnostic code prescribed in the International Classification of Diseases, or where no diagnosis has been obtained, a detailed statement of symptoms;
- (2) the date, if known, on which the condition of the Family Member commenced;
- (3) the probable duration of the Family Member's condition;
- (4) an estimate of the amount of time that the Participant is needed to care for the Family Member; and
- (5) a statement that the Family Member's serious health condition warrants the participation of the Participant to provide care for the Family Member. "Warrants the participation of the Participant" includes, but is not limited to, providing psychological comfort and arranging "third party" care for the Family Member, as well as directly providing or participating in the medical care.

Notwithstanding the above, where the Family Member adheres to the teachings of a bona fide church, sect, denomination, or organization and depends entirely upon prayer or spiritual means for healing, a medical examination shall not be required and the serious health condition may be supported by a certificate from a duly authorized and accredited practitioner of such church, sect, denomination, or organization.

5.3 Independent Medical Examination.

The County has the right to require additional medical information to verify medical eligibility for benefits under the Plan, including requiring an independent medical examination ("IME") by a County Physician. The County shall be responsible for the cost of the IME and any related tests.

Residents of alcohol recovery homes or drug-free residential facilities and individuals who depend entirely upon prayer or spiritual means for healing are not required to submit to an IME.

**ARTICLE VI
CLAIMS AND APPEALS**

6.1 Claim Form.

To claim Disability or Paid Family Leave benefits under this Plan, obtain a claim form from the County Personnel Services Office. The claim form must be filed with the County not later than the forty-first (41st) consecutive day following the first compensable day of unemployment and Disability or Paid Family Leave (i.e. within 49 days of the date of Disability or Paid Family Leave). If the claim is filed late and the Participant believes that he or she has Good Cause, the Participant must include an explanation on a separate sheet attached to the claim form. “Good Cause”, for purposes of this Article VI, includes but is not limited to mistake, inadvertence, surprise, or excusable neglect.

If a Participant is determined to be eligible for benefits under the terms of this Plan, he or she shall be paid by the County within fourteen (14) days of receipt of a properly completed claim form.

6.2 Appeal of Denial of Benefits.

If a Participant is determined to be ineligible for benefits under the terms of this Plan, he or she shall be provided a notice of denial. Such notice of denial shall include information on the Participant’s right to appeal.

A Participant who is denied benefits under the terms of this Plan may appeal the denial within twenty (20) days after personal service of the notice of denial. Such twenty (20) day period may be extended for Good Cause. A Participant may also appeal if he or she does not receive a notice of denial by the thirtieth (30th) day of the date a properly completed claim was filed with the County.

**ARTICLE VII
ESTABLISHMENT OF FUND**

7.1 Title.

There is hereby established in the County of Inyo a separate interest-bearing trust fund entitled “Short Term Disability Fund”.

7.2 Purpose.

Funds deposited in the Short Term Disability Fund shall be used solely for payments under the Plan, including but not limited to:

- (a) Payment of benefits to Participants under the terms of this Plan; and
- (b) Reasonable expenses, including actuary studies and other costs associated with the administration of this Plan.

7.3 Income.

All interest and dividend income earned by the Short Term Disability Fund shall be credited to the fund. No part of any Participant contributions or income resulting from Participant contributions may be diverted to the use or profit of the County.

7.4 Payments and Withdrawals.

No payments or withdrawals from the Short Term Disability Fund shall be made except by specific authorization of the County Administrator or designee, in the manner prescribed by the Auditor-Controller's Office for the purpose set forth.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

8.1 No Restriction.

The County guaranties that no employee will be excluded or restricted from this Plan due to age, sex, income, or pre-existing health condition.

8.2 Clerical Error.

Clerical errors shall not deprive a Participant of coverage nor create an obligation to continue coverage.

8.3 Contact.

For questions regarding this Plan, contact:

Inyo County Personnel Services Office
P.O. Box 249
Independence, CA 93526
(760) 878-0377