

BANNER HEALTH

TIME OFF PROGRAMS

Paid Time Off (PTO)

Short-Term Disability (STD)

Living Donor Leave

BENEFIT SUMMARY

Effective January 1, 2010

Covered Facilities:

CO BMG

Table of Contents

You can click on the title or page number in this Table of Contents and be brought directly to that page.

Paid Time Off and Short-Term Disability Benefits	4
Introduction	4
Paid Time Off (PTO)	4
Introduction	4
Eligibility	4
Benefit Provisions	4
PTO ACCRUAL SCHEDULE	5
PTO Carryover Provision	6
PTO Donation	6
PTO And Disability Benefits	6
Short Term Disability (STD) Program	7
Introduction	7
Eligibility	7
Application for STD	7
Benefit Provisions	7
STD benefit may be reduced	8
STD Benefit Maximum	8
How to Request STD Benefits	8
While You Are Receiving STD Benefits	9
STD Payment Questions	9
When will my STD benefits begin?	10
What is my STD rate of pay?	10
How long does it take to get STD?	10
Will my STD payment be a check or direct deposit?	10
How often will I receive my STD payment?	10
General Exclusions of STD Benefits	10
How to Begin a Light Duty Work Program While on STD	10
Returning to Work from STD	11
Termination of STD Plan Coverage	12
Living Donor Leave	12
Introduction	12
Eligibility	12
Application for Living Donor Leave	12
Waiting Period	13

While You Are on a Living Donor Leave.....	13
Living Donor Leave Schedule and Payments	13
Pay During a Living Donor Leave	13
Returning to Work From a Living Donor Leave	13
Family and Medical Leave Act (FMLA).....	14
Required Notification regarding your rights and obligations.....	14
Reasons for Taking Leave	14
Advance Notice and Medical Certification	14
Job Benefits and Protection.....	14
You must apply for a FML to be protected under FMLA	15
General Provisions	15
Authority to Administer the Plan	15
No Vested Rights: Right to Amend or Terminate Program.....	15
Privacy of Personal Health Information	15
Plan Administration	16
Exhaustion of Administrative Remedies	16
Limitations Period on Legal Actions and Choice of Venue.....	16
Recovery of Benefits Paid or Payable.....	16
Third Party Liability.....	16
Subrogation.....	17
Waiver of Right	17
Glossary/Definitions	17

Paid Time Off and Short-Term Disability Benefits

Introduction

This Benefit Summary for the Paid Time Off (PTO) and Short-Term Disability (STD) Benefits (the Plan) is intended to provide you with easy-to-understand general explanations of the more significant provisions of your benefits. Every effort has been made to make these explanations as accurate as possible.

This Benefit Summary does not create a contract of employment. Your rights under the Plans are not vested, and Banner Health reserves the right to amend, change or end any benefits described here for any reason. You can review the Plan Benefit Summaries by contacting Banner Plan Administration (BPA) or at www.BannerBenefits.com

The Banner Paid Time Off Programs benefits are considered pay practices and are paid from the general assets of Banner Health. The Banner Health Paid Time Off Programs constitute a single integrated program for providing employees with paid time off in a variety of circumstances.

Please see the Glossary/Definitions Section for terms within this document and how they are defined for the Time Off Programs.

Paid Time Off (PTO)

Introduction

The Banner Health PTO program combines three types of time off hours (personal time off from work, sick days and holidays) into one program. You must obtain approval in advance from your supervisor/manager before using your PTO hours. Available PTO time must always be used before taking time off without pay.

PTO provides full-time and part-time employees who are budgeted to work at least 32 hours per bi-weekly pay cycle with paid time off to use for personal reasons, the occasional sick day, holiday and vacation. It is also a way for you to accumulate time to use during the waiting period of seven (7) calendar days before Short Term Disability (STD) benefits begin and hours to supplement your STD benefits when benefits are paid at the rate of 67% of your pre-disability budgeted hours during a bi-weekly pay cycle.

Eligibility

All full-time and part-time employees who are budgeted to work at least 32 hours per bi-weekly pay cycle are eligible to earn PTO based directly on eligible hours worked. PTO eligibility excludes Travelers, Pay In Lieu (PIL) and all other non-benefits eligible positions.

Benefit Provisions

Employees are required to use available PTO for time absent from work including days missed for illness, personal absences and during the wait time for STD.

PTO cannot be used by an employee to pay themselves beyond their regularly scheduled FTE. Example: a 36 hour a week employee wants to take a week off work and requests to take 4 hours additional PTO to bring them up to a 40 hour week. This is not allowed as PTO is to be used to replace hours regularly scheduled only.

Hours scheduled prior to the workweek that are not worked require the use of PTO. The exception would be if hours are cancelled by management. If management cancels the hours, PTO is not required.

PTO cannot be taken in less than ¼ hour increments for non-exempt, or one day blocks (8 hours) for exempt. PTO hours are not considered hours worked in computing overtime pay.

Your normal payroll deductions will be deducted from the PTO pay.

Employees who are asked to pick up extra hours, but who already have PTO scheduled that week may still be paid the PTO hours originally scheduled, which exceeds your scheduled FTE (Full Time Equivalent).

Example: Sally normally works 40 hours in a week. She scheduled 8 hours of PTO during the week. She works 32 hours and then is called back to work an additional 4 hours. She may still use the 8 hours of PTO (32 regular hours + 4 hours additional hours = 36 worked hours + 8 hours of PTO = 44 hours of pay) PTO hours are not worked hours and therefore are not counted in the overtime calculation for the week.

PTO Hours may not be used before they are earned. Except as noted below, you generally will be paid your remaining, unapplied PTO balance at your base rate of earnings effective as of the date of the your termination of employment, or upon change of employment status causing you to become ineligible to be a participant in the PTO program. The PTO benefit will be paid to you after the first pay period during which your termination or change to an ineligible status occurs. However, if your employment with Banner terminates upon the sale of the business unit in which you are then working, and you continue to be employed in the unit, or if your employment with Banner is terminated and you are transferred to an unrelated employer, you shall be entitled to receive a payout of unused PTO only to the extent that your unused PTO is not credited or assumed by the successor employer.

PTO ACCRUAL SCHEDULE

PTO Schedule				
Years of Service**	PTO Earned per Hour (In Hours)	Max PTO Earned per Pay period (In Hours)	PTO earned Per year* (In Hours and Days)	PTO Maximum Balance- (In Hours and Days)
0 < 4 yrs	.0692	5.54	144 hours/ 18 days	144 hours/18 days
4 < 7 yrs	.0885	7.08	184 hours/ 23 days	184 hours/ 23 days
7 + yrs	.1077	8.62	224 hours/ 28days	224 hours/ 28 days

**Assumes you work full time – 2,080 hours in a calendar year. You will not accumulate PTO hours that exceed the maximum balance allowed. Days are based on eight hour days. If you terminate employment with Banner and are rehired within one year, your PTO will resume at the same rate as when you left, so long as you return to an eligible employment classification.*

***Years of Service are calculated based upon “Date of Hire”.*

PTO Carryover Provision

Employees hired after 1/1/09 will have a maximum PTO carryover provision of 160 hours (20 days).

PTO Donation

Banner recognizes that you may encounter medical emergencies during your employment. When a medical emergency arises, your co-workers may donate some of their earned PTO to you if you have no PTO available.

A medical emergency is a major illness or unplanned serious medical condition of you or one of your immediate family members that causes:

- *your prolonged absence from work, including intermittent absences that are related to the same illness or condition (e.g., therapy associated with a chronic medical condition or chemotherapy); and*
- *results in a substantial loss (one or more unpaid workdays) of income because of the exhaustion of any paid leave.*

This absence must result in a minimum of one (1) unpaid workday because of the unavailability of PTO hours, Short Term Disability or Workers' compensation payments. All requests for PTO donation must have the approval of your facility Human Resources department and direct supervisor.

Immediate Family Members include Spouse, Child (includes step-children), Parent, Grand Parent or Spouse's Parent or Grand Parent.

The donation must be a minimum of 8 hours and in 8 hour increments, The maximum donation is one-half of the donor's current PTO balance, but the donor must maintain at least 80 hours in his/her PTO bank. Donations are withdrawn and applied on a per pay period basis. The PTO donation forms can be found on www.BannnerBenefits.com.

PTO And Disability Benefits

If you are eligible for Short Term Disability (STD) benefits and Light Duty Work (LDW), your accumulated PTO hours must be used for the seven (7) calendar days waiting period before benefits begin.

You will be required to supplement your 67% STD benefits with payment from your PTO balance, so that the combination of your STD benefit and payment for PTO hours does not exceed your pre-disability budgeted hours during a bi-weekly pay cycle. The PTO supplement will usually be payable only for those full weeks (7 days) for which you are receiving STD benefits.

PTO hours do not accrue for time paid while you are on STD.

Short Term Disability (STD) Program

Introduction

A serious medical condition can result in the loss of income. The Short-Term Disability Program provided by Banner Health administered by Banner Plan Administration provides income protection during short periods of disability. The benefits provided by the STD Program are integrated with Banner's PTO program. The following information describes the benefits you may be eligible for during certain leave of absences or if you are unable to work due to a medical condition that is not work related. (*Refer to STD in the Definitions Section*).

If you are injured on the job or have a work related illness, this is an occupational injury and you must follow the procedure for Workers' Compensation. STD benefits will **not be available** in this situation.

Eligibility

The STD Program is available to employees on the first day following a consecutive 365 days of employment and who are budgeted to work at least 32 hours per pay period and their employment status is either full-time or part-time, excluding Pay In Lieu, Weekend Staffing, Travelers and all other non-benefit eligible positions. You must be Actively Working and in an eligible status at the time of applying for STD.

Actively working means performing your regularly scheduled work duties. Contact your local Human Resources department for interpretation of actively working and break in service and refer to the "Actively Working" and "Break in Service" definition in this document.

If you have any questions as you read through the booklet, contact the Disability Management for clarification at 1-888-ABSENT8 (1-888-227-3688) or in the Phoenix-metropolitan area (480) 684-7000.

Application for STD

Contact BPA at 1-888-ABSENT8 (1-888-227-3688) or in the Phoenix-metropolitan area (480) 684-7000. Refer to the section "How to Request STD Benefits".

Benefit Provisions

The STD benefit provides a financial supplement of 67% of your base salary during your medically certified and approved disability for up to 182 calendar days. The waiting period before you can begin to receive STD benefits is (7) calendar days. During the (7) calendar day waiting period, PTO should be used.

After the seven (7) calendar day waiting period STD may pay up to a maximum of 182 calendar days in a calendar year. The exception would be if you become disabled in a calendar year and your disability continues into the next calendar year.

If your health care provider certifies the date you last worked as the start of your disability, that day will count as one day of the waiting period, if you worked less than 4 hours that day. If you worked 4 hours

or more, the waiting period will start the next calendar day. You must be seen by your health care provider on the last day you worked to qualify as the start date of your disability.

To be certified as disabled, you must be examined by a health care provider, be under the regular care of a health care provider, and be unable to perform each of the material duties of your regular occupation. (Refer to the Definitions section for the definition of disability.)

If you are an employee in a facility located in a state that mandates State Disability Benefits, you must first claim your State Disability Benefits before any STD benefits are payable under this Program. If your State Disability Benefits are less than the percentage of STD for which you are eligible, STD will pay the difference up to that percentage of your pre-disability budgeted hours during a bi-weekly pay cycle. At no time will you be compensated at more than 100% of your pre-disability budgeted hours during a bi-weekly pay cycle.

STD benefit may be reduced by “other income benefits” including

- Benefits under the Federal Social Security Act (primary benefits only), Railroad Retirement Act, Canada Pension Plan, any provincial pension or disability plan or the Canada Old Age Security Act, for which you are eligible,
- Other group insurance policies contributed to by Banner, such as health insurance coverage which provides benefits for lost time due to a disability or life insurance coverage which provides benefits for permanent total disability,
- No-fault auto laws,
- Workers’ Compensation or similar laws,
- Third party liability recovery,
- Unemployment insurance law or program, and other programs or plans such as:
- A governmental compulsory disability benefit program,
- Any other group disability income plan, fund or other arrangement contributed to by Banner,
- Any sick pay or other income or salary continuation paid to you by Banner, other than vacation or holiday pay.

STD Benefit Maximum

You may be eligible for STD benefit payments to the maximum of 182 days per calendar year.

- If you become disabled in a calendar year and your disability continues into the next calendar year, it will be considered one period of disability and will be charged to the calendar year in which the disability began.
- If you return to active work in an eligible status after a disability and again become disabled less than 28 consecutive calendar days after your return, it will be considered one period of disability and will be charged to the previous calendar year (the disability does not need to be related to the previous medical condition). A new 7 day waiting period will apply.

How to Request STD Benefits

STD/FML applications are filed with and administered by Banner Plan Administration, in accordance with the Program’s provisions. To initiate an STD/FML claim and report your disability, you must call Disability Management at 1-888-ABSENT8 (1-888-227-3688) or in the Phoenix-metropolitan area (480) 684-7000. You may also visit www.BannerBenefis.com.

The initial application for an STD claim must be submitted within 60 days of the certified disability or STD benefits will be denied. Your supervisor/manager or a member of your immediate family may call if you are unable to do so. You are encouraged to apply as quickly as possible to assure there are no interruptions in your STD benefits. If all necessary forms and medical documentation are not received within the 30 days of the initial submission date, your claim will be denied.

Required medical certification must be submitted within 15 days after your request or the start of your FML may be denied or delayed until the specified certification is submitted.

Any fee charged by your health care provider for forms, medical records, etc. is your responsibility.

An STD/FML claim is processed only when all necessary forms and supporting medical documentation have been submitted to BPA by you and your health care provider(s). Your verbal consent to obtain Personal Health Information (PHI) will allow an initial claim determination, but you will be required to submit a signed and dated "Authorization to Release" within 30 days, otherwise it will delay the processing of your claim.

While You Are Receiving STD Benefits

- While on STD and Living Donor Leave, you must provide BPA with authorization to obtain medical records pertaining to your condition. BPA is within the Program rights to request medical records pertinent to disability to determine payable claims (including test/lab results, prescribed medications) and subject to review by Program's medical professionals. If requested, you must submit certification from your health care provider of your continuing disability on a form acceptable to BPA.
- If you are directed to report for an initial examination, treatment or re-examination by a health care provider selected by BPA and fail to comply, this will result in a denial of your claim or termination of on-going STD benefits.
- To be eligible for STD disability benefits or continue to receive STD disability benefits, you must be under the regular care of a health care provider and follow the course of treatment and therapy prescribed by your health care provider. You will be required to have your health care provider send or fax copies of current Office/Progress Notes, Labs, and/or Consult Notes that will support your continuous claim for STD disability benefits. All medical records are reviewed by BPA's medical professionals to determine the effect of your medical condition on your ability to work (Refer to the Disability STD definition).
- It is your responsibility to notify BPA if there is a change in health care providers or if you are referred to other health care providers that will continue certification of disability.
- **You must keep your supervisor/manager informed of your continuing disability status while on STD.** Your supervisor/manager may also require a note from your health care provider certifying your sickness or injury to aid in deciding whether or not an absence will be considered as an excused absence. An absence is not automatically considered authorized. Your supervisor/manager will consider the department's staffing needs, your past absence and tardiness record, the reason for your current absence and previous absences, and the timing of your notification to your supervisor/manager.
- While you are receiving STD, excluding Living Donor Leave, BPA will be monitoring your STD claim and will send you forms to file a long term disability ("LTD") claim approximately the 13th week of your disability. If you have not received the LTD forms by the time you have been disabled for 18 weeks, you should notify BPA immediately.

STD Payment Questions

When will my STD benefits begin? After the STD (7) day waiting period has been fulfilled and you are in an eligible status, STD pay begins.

What is my STD rate of pay? STD benefits are based on your hourly base pay (your pre-disability budgeted hours during a bi-weekly pay cycle and does not include shift differential, overtime or premium pay).

How long does it take to get STD? The process varies, depending on how quickly the certification of disability is completed by your health care provider. It is your responsibility to make sure the necessary forms are completed by your health care provider.

Will my STD payment be a check or direct deposit? STD is paid in your regular paycheck and on your regular pay dates. If you have direct deposit your check will be direct deposited. If you do not have direct deposit, you will need to make arrangements with your supervisor/manager to pick up the check or have it mailed to your home.

How often will I receive my STD payment? The first STD payment is made on your regular pay date, if BPA receives the completed certification form and supporting medical documentation, no later than Friday at noon before your regular pay week. If all necessary forms are not received by the deadline, all retroactive benefits will be paid in the next pay period after which all forms have been received.

General Exclusions of STD Benefits

- Disability incurred before the effective date of this Program;
- Disability does not prevent you from performing another job within Banner or for another employer;
- Disability incurred before the date you become eligible or covered by the Program;
- Disability due to an injury or sickness sustained by you in connection with an act of war, whether declared or undeclared;
- Disability due to reversal of voluntary sterilization;
- Disability due to a sex change operation or procedure;
- Disability due to participation in a riot or other civil disorder;
- Disability arising from commission of any act which is a misdemeanor or felony under any state or federal law;
- Disability due to any injury suffered while engaged in any business or employment for remuneration or profit other than employment with the Employer;
- Disability resulting from illegal acts or caused by the illegal use of any prescribed or controlled narcotic or substance. This exclusion will not apply to any disability which is diagnosed immediately after a participant voluntarily discloses to the company illegal use of any prescribed or controlled narcotic or substance before the participant has been requested by the company to submit to or take any “for cause” test for drugs or any other substance. A “for cause” test is any drug or substance test required by the company in accordance with company personnel policies;
- Disability certified by a close relative;
- Applies to STD only: Disability for an occupational injury for which benefits are eligible under any Workers’ Compensation law;
- Disability incurred during military service.

How to Begin a Light Duty Work Program While on STD

To begin a Light Duty Work Program, you must obtain a written release from your health care provider that specifies the number of hours per day and days per week you may work, and any physical restrictions deemed medically necessary. Light Duty Work allows you to return to work with your facility (or another related employer) without changing or adversely affecting your eligibility for benefits. Light Duty work allows an employee who has returned to work in a modified position to ease back into regular work duties. **Light Duty work releases are not to supplement a permanent disability, part-time or reduced schedule and have a maximum duration not greater than 60 days.** You must obtain prior approval by BPA before you engage in any work. If your health care provider certifies that you are able to work with certain restrictions and your department or another department is able to accommodate you with your restriction, you will be required to report to work. Your failure to do so will result in denial of your STD claim or termination of further STD benefits if payment has already been made.

If you are able to return to work with temporary restrictions or limitations, mentioned above in the Light Duty Work Program, you are still considered on STD under the terms of the Plan and the STD benefit schedule applies. The days of restricted work in a Light Duty position are counted toward the STD maximum of 182 days. The following guidelines have been developed to help you understand your role in the success of the Light Duty Work Program:

1. You must be available to work where needed and within the established restrictions.
2. Depending on assignment availability, you may be requested to work a different schedule from what you are normally accustomed.
3. You must complete your time record utilizing KRONOS. Please contact your supervisor/manager for specific instructions (also applies to employees in “exempt” status).
4. It is your responsibility to notify your disability specialist if your schedule needs to be adjusted.
5. Hours are expected to be worked as scheduled. Unscheduled absences or tardiness are monitored closely.
6. As with all employees, you must meet the service standards established for Banner Health.
7. During your assignment in a light duty position, you are expected to be positive, enthusiastic and engaged in your work.

During the period of time you are allowed to participate in the Light Duty Work Program you will be accountable for the same standards as all other Banner employees. If you do not comply with these standards, you may lose your ability to participate in the Light Duty Work Program and risk closure of your disability claim.

Returning to Work from STD

When your health care provider releases you to return to work, you must notify the BPA immediately on the day you return to work by faxing the “return to work” slip or by calling your Disability Specialist at 1-888-ABSENT8 (1-888-227-3688) or in the Phoenix-metropolitan area (480) 684-7000. Your Disability Specialist will work with your department supervisor/manager to notify her/him of your full release or to determine placement options if there are work restrictions. You must also provide the “return to work” slip to your supervisor/manager and local Human Resources Department.

In addition, employees are required to clear through the Occupational Health Department with their health care provider’s “return to work” slip.

If you fail to return to work at the end of your STD period, and do not otherwise communicate your intentions to your supervisor/manager, you will be treated as having voluntarily resigned from employment, effective the last day you were paid STD benefits.

Termination of STD Plan Coverage

Your coverage under the STD Plan will stop on the earliest of the following dates:

- * The date the Plan is terminated;
- * The date you cease to be an employee;
- * The date on which you change to an ineligible employment classification;
- * The date you begin an unexcused or unpaid leave of absence.

Living Donor Leave

Introduction

The Banner Health Living Donor Leave is provides 100% of your base pay during an approved leave that has been medically verified.

The time while on Living Donor Leave will be paid through the Short-Term Disability Program without charges to PTO time or FML time during full or partial days while serving as either a bone marrow donor or an organ donor or recovering from the procedures involved within the limits of the “**Living Donor Leave Schedule**”.

The Living Donor Leave time includes necessary travel time, as well as, any medical testing or other procedures to determine bone marrow or organ donation compatibility. Any additional time off due to medical reasons that exceed the maximum days under the Living Donor Leave will require approval by Disability Management and will be counted towards the FML and the STD maximum days per calendar year.

The Living Donor Leave is available only when it used during your regularly scheduled work time. If you undergo bone marrow and organ donation outside your regular work schedule, you do so on your own time. In addition, if you are absent on a holiday for the purpose of bone marrow or organ donation you will be considered to be observing the holiday and will not be granted Living Donor Leave.

Eligibility

The Living Donor Leave is available to employees who have been employed for at least 365 days in a benefits eligible status, are budgeted to work at least 32 hours per pay period and their employment status is either full-time or part-time, excluding Pay In Lieu, Weekend Staffing, Travelers and all other non-benefits eligible positions.

Living Donor Leave is not available to an employee who is not on an approved unpaid leave of absence or approved leave of absence for another reason at the time of the request or at the time of the donation. You must be an active employee immediately prior to applying for a Living Donor Leave.

Application for Living Donor Leave

Contact Disability Management at 1-888-ABSENT8 (1-888-227-3688) or (480) 684-7000 for Living Donor Leave application forms. Claims are filed with and managed by the BPA, in accordance with the Plan’s provisions. The “Living Donor Leave” form must be complete and include documentation from your Health Care Provider as verification of the upcoming type of bone marrow donation or solid organ donation and indicate the medical need for the procedure and expected time off. In addition, you must notify your supervisor/manager 30 days in advance, if possible, of the need to take the leave of absence. BPA will notify you, your supervisor/manager and Human Resources upon approval of the application.

Waiting Period

The standard seven day waiting period for STD does not apply to the Living Donor Leave. Living Donor Leave supplemental pay will begin on the date of the procedure provided or during necessary travel time and medical testing or procedures to determine bone marrow or organ donation compatibility.

While You Are on a Living Donor Leave

For an explanation of your responsibilities during the Living Donor Leave, refer to the “While You Are Receiving STD Benefits” section of this document.

Living Donor Leave Schedule and Payments

The Living Donor Leave benefit days are payable at 100% of your pre-disability budgeted hours during a bi-weekly pay cycle. The STD pay will be provided to bring your compensation to the full pre-disability budgeted hours during a bi-weekly pay cycle according to the following benefit schedule.

Donor Type	Regular Work Days/ Hours Maximum *	% Paid
Bone Marrow	Up to 5 days/40 hours	100%
Kidney/Liver/Lung or other solid organs.	Up to 2	100%

** The Regular Work Days/Hours Maximum applies to each calendar year. Any other paid leave of absence other than the Living Donor Leave is subject to the approval of BPA and will apply toward FML and PTO.*

Pay During a Living Donor Leave - The Donor Leave payments will include the day of the procedure and any necessary travel time, as well as any medical testing or other procedures to determine bone marrow or organ donation compatibility that occur prior to the day of the procedure.

Banner will continue the Donor Leave supplement to but not exceeding your full budgeted hours during a bi-weekly pay cycle. The seven day waiting period will be waived. The supplement will be provided to bring your compensation to your full base hourly rate of pay according to the following provisions:

Example 1 - employees on part-time or alternative work schedules, a work day is based on the length of the employee’s scheduled work day.

Example 2 - a half-time employee who is scheduled to work four (4) hours a day and a full-time employee on a compressed workweek who is scheduled to work 10 hours per day four (4) days a week have each used one (1) workday of the 5 day bone marrow maximum or one (1) workday of the 30 day solid organ maximum entitlement, if absent for a full work shift.

If an employee uses the leave under this section in less than a full day unit, the leave is calculated as a fraction of the employee’s work day.

Example 3 - a full-time employee who works eight hours a day and who is absent for four (4) hours for bone marrow donation has used one half-day of the five day maximum.

Returning to Work From a Living Donor Leave

When your health care provider releases you to return to work, you must notify the BPA immediately on the day you return to work by faxing the “return to work” slip or by calling your Disability Specialist at 1-888-ABSENT8 (1-888-227-3688) or in the Phoenix-metropolitan area (480) 684-7000. Your

Disability Specialist will work with your department supervisor/manager to notify her/him of your full release or to determine placement options if there are work restrictions. You must also provide the “return to work” slip to your supervisor/manager and local Human Resources Department.

In addition, employees are required to clear through the Occupational Health Department with their health care provider’s “return to work” slip.

If you fail to return to work at the end of your leave, and do not otherwise communicate your intentions to your supervisor/manager, you will be treated as having voluntarily resigned from employment, effective the last day you were paid Donor Leave benefits.

Family and Medical Leave Act (FMLA)

Required Notification regarding your rights and obligations

The time you are on STD will also count as Family Medical Leave (FML), if you have been a Banner Health employee for 365 days and have worked at least 1250 hours during the past 12 months, and have not used all of your FML entitlement. FML provides employees certain job protection and employee benefit protection.

FML requires employers to provide up to 12 weeks of unpaid, job-protection leave to “eligible” employees for certain family and medical reasons. Employees are eligible if they have worked for at least 365 days and for 1,250 hours (actual hours worked, exclude time paid for other type of paid leaves) over the previous 12 months. FML permits employee to take leave on an intermittent basis or to work a reduced schedule under certain circumstances.

Reasons for Taking Leave

- For a serious health condition that makes the employee unable to perform their job.
- To care for the employee’s child after birth, or placement of adoption or foster care;
- To care for the employee’s spouse, son or daughter, or parent who has a serious health condition; or
- To care for the employee’s son, daughter or parent as the result of a serious illness or injury obtained in the line of duty while on Active Duty. (Military Caregiver Leave)
- Leave to support a family member or next of kin as the result of being called to Active Duty. (Qualifying Exigency Leave)

Advance Notice and Medical Certification

The employee is required to provide advance notice of their leave request using Banner’s current call-in procedures, absent unusual circumstances. The employee ordinarily must provide 30 days advance notice when the leave is “foreseeable.” Medical Certification will be required dependent on the circumstances of the FML. Taking of leave may be denied if requirements are not met.

Job Benefits and Protection

- For the duration of FML the employer must maintain the employee’s enrollment in health coverage under any “group health plan” as long as the employee’s portion of the premium is paid by the employee.
- Upon return from FML most employees must be restored to their original or equivalent position with equivalent pay, benefits and other employment terms.
- The use of FML cannot result in the loss of any employment benefit that accrued prior to the start of an employee’s leave.

There is no pay for FML during your leave, although you may be eligible for pay from Paid Time Off (PTO), Extended Sick Leave (ESL), Short Term Disability (STD) or Workers’ Compensation (WC).

Your FML may be running concurrently with an STD or WC claim for benefits.

For Details on your rights and obligations related to FML, please see Banner Corporate Policy number 7644 or by visiting www.BannerBenefits.com.

You must apply for a FML to be protected under FMLA

To apply for a Family Medical Leave, you can contact the Disability Management at 1-888-ABSENT8 (1-888-227-3688) or in the Phoenix-metropolitan area (480) 684-7000 or visit www.BannerBenefits.com.

General Provisions

Authority to Administer the Plan

Banner Health has the absolute discretionary authority to control and manage the operation and administration of the Plan, and to interpret or construe all provisions of the Plan. Banner Health may make whatever rules, interpretations, and computations, and take any other actions to administer the Plan that Banner Health considers appropriate, as long as Banner Health does not abuse its authority by acting in an arbitrary or capricious manner. These rules, interpretations, computations, and actions of Banner Health will be binding and conclusive on all persons.

No Vested Rights: Right to Amend or Terminate Program

You have no vested rights to the benefits provided under the Plan. Banner Health reserves the right to change, modify, amend, suspend, or terminate any or all of the benefits provided here in whole or in part, at any time for any reason it determines to be appropriate, by a written instrument adopted by its board of directors or designee. Banner Health's authority to modify the Plan includes the right to alter the mix of benefits provided by the Plan. No participant has a vested right to the continuation of any particular benefit provided by the Plan. Termination or amendment of the Plan will not affect any claim incurred while the Plan was in force, but Banner Health reserves the right to change prospectively the types of coverage it offers through the Plan.

A member, who repeatedly fails to follow medical treatment regimen/medical recommendations or commits fraud, may be terminated from this program with no rights under COBRA. Each occurrence of member non-compliance will be documented. A warning letter regarding the potential for termination, along with appeal rights will be sent to the member via certified mail with a copy placed in the member's record.

Privacy of Personal Health Information

Banner Health, as Plan sponsor, is committed to protecting your private and personal health information. Banner Health has and will continue to enter into agreements with service providers, referred to as "business associates," that contractually protect your personal health information under the same guidelines as those used by Banner. Banner Health will not disclose your personal health information without your prior written consent or authorization, except as necessary for your treatment, payment for services recorded, healthcare operations or as otherwise permitted by law. Additionally, you have the right to access and review your own personal health information in accordance with procedures established by Banner Health and presented in the Notice of Privacy Practices issued separately.

Plan Administration

The Plan Administrator has the sole and complete discretionary authority to determine eligibility for program benefits and to construe the terms of the program, including the making of factual determinations. The Plan Administrator shall have the discretionary authority to grant or deny benefits under the program. Benefits under the program will be paid only if the Plan Administrator decides in its discretion that the application is entitled to them. The decisions of the Plan Administrator shall be final and conclusive with respect to all questions relating to the plan.

The Plan Administrator may delegate to other persons responsibilities for performing certain duties of the Plan Administrator under the terms of the program and may seek such expert advice as the plan administrator deems reasonably necessary with respect to the program. The Plan Administrator shall be entitled to rely upon the information and advice furnished by such delegates and experts, unless actually knowing such information and advice to be inaccurate or unlawful.

The Plan Administrator may adopt uniform rules for the administration of the program from time to time, as it deems necessary or appropriate.

Exhaustion of Administrative Remedies

You must comply with and exhaust the Claims and Appeal Procedures described above for every issue deemed relevant by you or your covered dependent, prior to bringing an action for benefits under the Plan under Section 502(a) of ERISA. Exhaustion of the Appeal Procedure includes the requirement that you and your covered dependents timely raise all reasons for challenging a denial of benefits.

Limitations Period on Legal Actions and Choice of Venue

No legal action may be brought for benefits under the Plan after one (1) year from the date of the Appeals and Grievance Committee's final decision on appeal. Any legal action brought for benefits under the Plan must be filed in the United States District Court, District of Arizona - Phoenix.

Recovery of Benefits Paid or Payable

The Plan may not be obligated to pay benefits due to a disability for which a third party is liable or legally responsible. The following rules apply to the payment of benefits under the Plan and are designed to avoid overpaying benefits, paying duplicate benefits, and paying benefits when sickness or injury benefits also are paid from another source. By accepting benefits under the Plan, you agree to the following recovery terms and you agree to assist the Plan Administrator in the Plan's recovery. All references in this "Recovery of Benefits Paid or Payable" section to "you" or "your" include your guardian, estate or other legal representative.

Third Party Liability

A third party may be financially responsible if you are disabled as a result of the negligence, willful misconduct, or other actions or omissions that violate your rights. If you receive or are entitled to receive a settlement from a third party (for example, from a car accident), the Plan has the right to first reimbursement from the amounts paid by the third party, even if you have not fully recovered your total loss. In such cases, the Banner Health sponsored disability plans will pay its normal benefits, but would then be entitled to recover the amount from any settlement you receive from the third party less your attorney's fees. You are required to notify BPA of any third party liability or action. Specific rules

concerning the Plan's right to recover amounts it has paid you from another person who injured you through negligence, or otherwise is set forth in the Plan document.

Subrogation

The Plan's subrogation provision applies when you are sick or injured as a result of the act or omission of another person or party. "Subrogation" means the Plan's right to recover any payments a third party or any insurer acting in place of, or on behalf of a third party or a third party's insurer makes to you or your because of an injury or illness caused by or contributed by a third party. If you or your dependent receives Plan benefits and have a right to recover damages, compensatory or punitive, from a third party, the Plan is subrogated to this right. You must place all recoveries from a third party (whether by lawsuit, settlement, or otherwise) in an account at a bank or other financial institution, separate from your other assets. The amounts in the account will be used to reimburse the Plan an amount reduced by reasonable attorney fees and court costs prorated to reflect that portion of the total recovery which is due the Plan for benefits paid. The Plan will be reimbursed, and any remainder in the account will be yours or your dependents. The Plan's share of the recovery will not be reduced because you or your dependent has not received the full damages claimed, unless the Plan agrees in writing to a reduction. You must promptly advise the Plan whenever a claim is made against a third party with respect to any loss for which the Plan benefits have been or will be paid. You or your dependent must execute any assignments, liens or other documents and provide information as the Plan requests. Plans benefits may be withheld until documents or information are received from you. If you need more information about subrogation, the Plan will provide you with its subrogation procedures.

Waiver of Right

If the Plan Administrator fails to exercise any of its rights under the Plan, the failure to exercise any right, or the failure to require you to perform any obligations described in the Plan, will not be deemed a waiver of the right. The failure of the Plan Administrator to exercise its right will not prevent the Plan Administrator from exercising the right or requiring you to perform at any later time, and will not result in a waiver of its rights with respect to a subsequent event.

Glossary/Definitions

The following terms define specific wording used throughout this booklet.

"Actively Working or Actively at Work" means any day on which an employee is required to perform and is performing scheduled work duties or an active employee on paid time off (PTO), in accordance with the Employer's applicable personnel policies.

"Base Pay" means an employee's base monthly salary which is defined as the hourly base rate of pay times the position's monthly budgeted hours in a bi-weekly pay cycle times 26 pay cycles divided by 12 months, exclusive of bonuses, incentive or performance pay, or other special or unusual compensation, at the time a Disability occurs. Base Pay excludes amounts received under the Social Security Act and amounts received under any program of Worker's Compensation.

"Base Rate of Pay" means an employee's hourly base pay. Example: Sally's base rate of pay is \$10.00 per hour.

"Benefit Eligible" refers to the employment status used within the Banner Health HR/Payroll system. The status and/or position code determines whether an employee is eligible for enrollment and level of company contribution towards the premium such as Full-Time Active is FA, Part-Time Active is PA, etc. If you have any questions on your benefit eligibility status, please see your HR office.

“Benefit Waiting Period or STD Eligibility Benefit Waiting Period” a period of 365 days of Actively Working during which the employee’s employment is greater than 365 days in a full-time or part-time employment status, and budgeted to work 32 hours per bi-weekly pay cycle in a benefits eligible employment status. The day after this benefit waiting period is fulfilled STD Eligibility begins.

If an employee has a Break-in-Service due to termination of employment and returns in less than 365 days, or if an employee ceases to be in an eligible employment status then returns to an eligible employment status, the Benefit Waiting Period will be adjusted to exclude the time period in which the employee was not employed by the Employer or was not in an eligible employment status.

While on Bereavement, Victim’s Rights, Family, Business, Jury Duty and Workers’ Compensation leave of absences you will accrue time towards the 365 day Benefit Waiting Period, but may not apply for STD if the 365 days have not been fulfilled prior to the start date of these excused leave of absences.

If a Break-in-Service due to termination occurs for greater than one year and you are rehired, the 365 day Benefits Waiting Period will start over again.

“Break-in-Service” this occurs when an employee changes to an ineligible employment status, terminates employment or is absent from active work due to a leave of absence that is not an excused absence. (See Leave of Absence definition below) Each time a Break in Service occurs, the 365 day benefit waiting period will be adjusted. Once the 365 day benefit waiting period has been fulfilled, STD benefit eligibility will not be lost unless a change to an ineligible employment status or leave of absence occurs. STD eligibility will resume after returning to a benefit eligible status.

If an employee is terminated for less than 365 days and then rehired, according to Banner’s rehire policy at that time, the STD benefit waiting period will be credited with time worked in pre-termination benefits eligible statuses. When in a termination status for greater than 365 days, STD benefit eligibility ends. If rehired after greater than 365 days, a new STD benefit eligibility waiting period will begin, provided you are hired in a benefits eligible position.

“Budgeted Hours” – Hours related to the position in which you were hired to work for Banner Health in a specified number of hours per pay cycle.

“Calendar Year” means the 365 days counting from January 1st through December 31st in each 12 consecutive month period. If you become disabled in a calendar year and your disability continues into the next calendar year, it will be considered one period of disability and will be charged to the calendar year in which the disability began. If you return to active work in an eligible status after a disability and again become disabled (the disability does not need to be a related to the previous medical condition) less than 28 consecutive calendar days after your return, both disabilities will be considered a single period of disability.

“Claims Administrator” is the group employed by Banner Health to process claims and administer the Plan. Banner Plan Administration, Inc. is currently the Claims Administrator.

“Close Relative” means you, your parents, grandparents, siblings, child or grandchild, your spouse; and the spouse of a close relative irrespective of his or her profession or employment.

“Coordination of Benefits (COB)” refers to someone being eligible under more than one Group Plan, the Group Plan assuming primary payer status shall determine benefits first without regard to coverage allowed under any other group plan. When a Banner Plan is the secondary payer, the total payment from all other group plans cannot exceed the normal liability of this Plan

“Disability or Disabled” means an injury or sickness of permanent or long continued duration which, directly and independently of all other causes, disables you so that you are completely prevented from engaging in **any** occupation or employment for which you are fit by reason of experience, training or education. For LTD eligibility, you must have qualified for a short-term disability benefit or workers’ compensation benefit for the first 182 consecutive days of your disability.

“Eligible Status” means budgeted 32 hours in a bi-weekly pay cycle and classified as a benefit eligible full-time (FA) or part-time (PA) employment status. All other employment statuses are excluded, including Pay In Lieu (PIL), Weekend Staffing, Travelers and all non-benefit eligible positions.

“Employment Status” means the employment classification that you were hired for at Banner Health which is categorized as an eligible or ineligible status for Paid Time Off, Short Term Disability and Long Term Disability. (Refer to the definition of Eligible Status).

“Excused Absence” means any period during which an employee is excused by the Employer, under the applicable personnel policies then in effect, from performing scheduled duties, and which is a day on which the employee is not otherwise required to work by the Employer, and is either a scheduled holiday or scheduled time off (e.g., a weekend). Excused Absence includes periods taken as Bereavement Leave and Victim’s Rights Leave under A.R.S. § 13-401, or similar statutes in states in which Banner operates, Business Leave, Living Donor Leave, Family Leave, Military Leave, Jury Duty, or leave while receiving Worker’s Compensation, as provided under the policies of the Employer then in effect. An Excused Absence does not include any period which is a Leave of Absence other than those stated in the previous sentence.

“Family Medical Leave” means a leave taken by an employee for any reason permitted under the federal Family Medical Leave Act (FMLA), whether taken due to a serious health condition, for the birth or adoption of a child, or to care for a seriously ill spouse, child or parent. In order to be eligible you must be employed by Banner Health for at least one year and have worked at least 1250 hours during the past 12 months, and have not used all of your FMLA entitlement. For purposes of this Plan, if the employee is eligible for Disability Benefits and for leave under the FMLA, the time during which Disability Benefits are received shall be counted as time taken under the FMLA until such time that the employee’s Family Leave allotment is used up.

For FML information or to apply for FML contact 1-888-ABSENT8 (1-888-227-3688).

You are required to contact BPA prior to returning to work from FML. You will be required to present a fitness-for-duty certification from your health care provider or local Occupational Health department or Employee Health department, supervisor/manager and Human Resources prior to returning to work. As long as you are still covered by FML, you are entitled to restoration to the same and/or equivalent job upon your return to work.

“Full-time Employee” A full-time (FA) budgeted position of 64 or more hours during pay cycle (two week period of time). All other employment classifications are excluded, which includes Pay In Lieu (PIL), Weekend Staffing, Traveler and all other non-benefits eligible positions...

“Health Care Provider” means a Medical Doctor (M.D.), Doctor of Osteopathy (DO), Doctor of Podiatry (D.P.M.) or Dentist (D.D.S. or D.M.D) licensed to practice in the locality where services are rendered and practicing within the scope of his/her license. The term “health care provider” includes a licensed Clinical Psychologist, Physician’s Assistant (P.A.) and a Nurse Practitioner (N.P.). The term health care provider shall not include any person who is a close relative of yours.

“Hire Date or Date of Hire” means the first day the employee begins “Actively at Work” and the date of hire is based upon Banner Health’s hire and rehires policies.

“Hourly Base Rate of Pay” means an employee’s base rate of pay per hour. (Example: Sally’s hourly base rate of pay is \$10.00 per hour), exclusive of bonuses, incentive or performance pay, or other special or unusual compensation, at the time a Disability occurs. Base Pay excludes amounts received under the Social Security Act and amounts received under any program of Worker’s Compensation.

”Hours Worked” means hours, for which you are paid for work, including:

- Hours paid for Regular Time Worked (Include overtime hours worked up to 80 hours in a pay period.)
- Hours paid for Bereavement
- Hours paid for Callback
- Hours paid for Conference
- Hours paid for Donation of PTO
- Hours paid for Education
- Hours paid for Events Pay
- Hours paid for Exempt Pay
- Hours paid for FML-PTO
- Hours paid for Holiday Worked
- Hours paid for Jury Duty
- Hours paid for Jury Duty – LSA
- Hours paid for Low Census
- Hours paid for Meetings
- Hours paid for Millennium
- Hours paid for Non-Patient Care
- Hours paid for Non-Worked Regular – DML Day
- Hours paid for On-Call - 5.15 only
- Hours paid for Orientation
- Hours paid for Patient Care
- Hours paid for PTO
- Hours paid for Stars Guarantee
- Hours paid for Weekend
- Hours paid for PTO Supplemental Pay

All PTO benefits are earned in hours based on working a **maximum** of 80 hours per pay period.

No PTO hours are earned for work in excess of 80 hours per pay period.

“Illness” is bodily sickness or disease and psychiatric disorders.

“Injury” A non-occupational, bodily injury resulting directly from an accident and independently of all other causes. An injury must occur and disability must begin while you are a participant under the Plan

”Leave of Absence” means an approved Leave of Absence and not actively at work. The Leave of Absences that are considered “Excused Absence” in terms of credit towards the Benefit Waiting Period, Bereavement Leave, Victim’s Rights Leave, Business Leave, Family Leave, Military Leave, Jury Duty, or Worker’s Compensation. Approved Leave of Absences that are not considered “Excused Absence” in terms of credit towards the Benefit Waiting Period, are Administrative Leave, Educational Leave, Medical Leave which is not Family Leave, Personal Leave or Seasonal Leave and any leave not listed under “Excused Absence”.

“Light Duty Work” means a temporary job assignment, not greater than 60 days duration, offered to a Disabled Participant under which a Health Care Provider has certified that the Disabled Participant is able to perform, taking into account the nature and extent of the Participant’s Disability.

“Living Donor Leave” means a leave of absence that applies to employment greater than 365 days in a full-time or part-time employment status, and budgeted to work 32 hours per bi-weekly pay cycle in a benefits eligible employment status, excluding Pay In Lieu (PIL), Weekend Staffing, Traveler and non-benefits eligible positions.

This leave does not run concurrent with other leaves of absence (LOA) at the same time for another LOA reason. Employees on a Living Donor Leave are paid by the STD Plan while out for the purpose of donating bone marrow or an organ donation. (Refer to the “Living Donor Leave” section of this document for more details).

“Military Leave” means an absence by reason of service in the Armed Forces during a time of war or involuntary service in the Armed Forces during a time of peace, provided the Employee left his employment directly to enter the Armed Forces and returns directly to employment within the period during which his or her employment rights are protected under the Military Selective Service Act (38 U.S.C. § 2021) or the Uniformed Services Employment and Reemployment Rights Act of 1996 (Code Section 414(u)) or any similar act then in effect. The term “Armed Forces” means the Armed Forces of the United States and includes all branches of the United States military service entitled to protection under 38 U.S.C. § 2021. The Eligibility Benefits Waiting Period continues to accrue while an employee serves in the military in accordance with the Uniformed Services Employment and Reemployment Rights Act.

After you are officially released from Military Leave and you were in an eligible employment status before you went on Military Leave, the days while on Military Leave will count toward the 365 day benefit waiting period. Your STD eligibility will resume after you contact your facility Human Resources department to make timely application for re-employment to return to an “eligible employment status”; within two weeks for Military Leaves of 31-180 days and within 90 days for Military Leaves longer than 180 days. Some state military leave laws allow longer periods to apply for re-employment. If you are officially released from Military Leave and absent for longer than 30 days, we request that you contact your facility Human Resources department and this request will not have any impact on your USERRA rights.

“Own occupation” means the activity that you regularly perform and that serves as your source of income. It is not limited to the specific position you had with Banner. It may be a similar activity that could be performed with Banner or any other employer.

“Paid Time Off (PTO) Benefits” means the payments made by Banner during any calendar year under its “paid time off” policy. To be eligible, an employee must be in a full-time or part-time employment status, and budgeted to work 32 hours per bi-weekly pay cycle in a benefits eligible employment status, excluding Pay In Lieu (PIL), Weekend Staffing, Traveler and non-benefits eligible positions.

“Part-Time Employee” means budgeted to work at least 32 hours to 63 hours during a bi-weekly pay cycle (two week period of time). All other employment classifications are excluded, which includes Pay In Lieu (PIL), Weekend Staffing, Traveler and non-benefits eligible positions.

“Pay period” means the regularly scheduled hours during a bi-weekly pay cycle (two week period of time).

“Pay in Lieu (PIL)” means an employee in a full-time or part-time position designated as “hard to fill” under the policies and procedures of the Employer then in effect who has executed an agreement with the employer under which the employee receives an additional 25% in pay but is not eligible for benefits, including Disability Benefits under this Plan.

Plan Administrator – for purposes of the Time Off Programs, this is Banner Plan Administration (BPA).

“Plan Year” is the 12-month period beginning January 1 and ending December 31.

“Pre-disability Budgeted Hours During a Bi-weekly Pay Cycle” means the total budgeted hours of a position that an employee was hired to work by Banner Health in a two week payroll cycle, which is multiplied by the employee’s hourly base rate of pay to calculate STD payments. This does not include overtime, shift differential or bonus pay. This does not mean actual hours worked that fluctuate each pay period.

“Seven Day Waiting Period” means the seven day period after you have applied for STD within the 30 day application limit, in which you must use your PTO and no STD benefits are payable.

“Sickness” means any physical or mental illness including periods of pregnancy during which a participant is disabled, is not an Occupational Injury and is not paid for or covered by Workers’ Compensation or similar law. Sickness includes periods of pregnancy during which a Participant is Disabled and periods during which the Participant is Disabled by reason of a voluntary sterilization procedure.

“Supplemental Disability Benefit: means first, the benefit payable to an employee, calculated as a weekly amount, on account of Disability (regardless of how defined) under any private or government sponsored program in effect from time to time to which Banner contributes, and secondly, any benefits payable to an employee under California law for or on account of disability (including any benefits payable to an employee’s spouse or dependents).

“Supplemental PTO Benefit” means an employee’s accumulated whole hours of PTO Benefits which will be paid, after taking into account any wages the employee earns from Light Duty Work, to supplement (up to the nearest whole hour of PTO Benefits) an employee’s Disability Benefit to an amount not to exceed 100% of such Disabled employee’s pre-disability budgeted hours during a bi-weekly pay cycle. For any period during which an employee’s Disability Benefit, plus any earnings from Light Duty Work, equals or exceeds 100% of a Disabled employee’s pre-disability budgeted hours during a bi-weekly pay cycle, no Supplemental PTO Benefit will be paid to the employee.

“Traveler” mean an employee who works on a full time basis for one or more continuous or non-continuous 13 week periods pursuant to a written agreement with Banner.

“Weekend Staffing” means an employee who is regularly scheduled to work 24 hours per weekend on a continuous basis and is paid an additional amount of hours for each 24 hours worked each weekend for the Employer.