

**BANNER HEALTH
&
LABORATORY SCIENCES
OF ARIZONA**

TIME OFF PROGRAM

Paid Time Off (PTO)
Short-Term Disability (STD)
Living Donor Leave

BENEFIT SUMMARY

**Effective January 1, 2011,
including amendments through July 1, 2011**

Covered Facilities:

**Alaska
Arizona
California
Colorado
Nevada
Nebraska
Wyoming**

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Introduction

This Benefit Summary for the Paid Time Off (PTO) and Short-Term Disability (STD) Benefits (the Plan or Time Off Program) 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.

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

This Benefit Summary does not create a contract of employment. Your rights under the Plan are not vested, and Banner Health reserves the right to amend, change or end any benefits described here for any reason. If you have questions about the Benefit Summary, contact Banner Plan Administration (BPA) at (888) ABSENT8 (1-888-227-3688) or in the Phoenix-metropolitan area (480) 684-7000 or at www.BannerBenefits.com.

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

Paid Time Off (PTO)

Introduction

The Banner Health PTO Plan combines three types of time off hours (personal time off from work, sick days and holidays) into one Plan. 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 and time off without pay is at the discretion of your supervisor/manager and/or the policies, procedures, practices or programs in effect at the time at the facility for which you work.

PTO provides full-time and part-time employees who are budgeted to work at least 32 hours per bi-weekly pay period 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 seven day waiting period before STD benefits begin after you become disabled, and to supplement your STD benefits when benefits are paid at the rate of 60% of your base pay.

Eligibility

To be eligible, an employee must be budgeted to work at least 32 hours per pay period in a benefits eligible employment status, excluding pay in lieu (PIL), weekend staffing, traveler and non-benefits eligible positions. Eligible employees earn PTO based directly on eligible hours worked.

Benefit Provisions

Employees are required to use available PTO for time absent from work including days missed for illness, personal absences, Family Medical Leave (FML), and during the waiting period for STD.

PTO cannot be used by an employee as pay in excess of his regularly scheduled full time equivalent (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.

Scheduled hours not worked during your work week require the use of PTO. An exception applies if management cancels your hours. If management cancels the hours, PTO is not required.

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

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

An employee who is asked to pick up extra hours, but who already has PTO scheduled that week may still be paid the PTO hours originally scheduled, even if the total hours paid for that work week exceed his or her scheduled FTE.

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 your termination of employment, or upon change of employment status causing you to become ineligible to be a participant in the PTO Plan. 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 Health 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 Health 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 is paid at your primary job assignment hourly base rate of 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.

PTO Accrual 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)±
0 < 3 yrs	.0885	7.08	184 hours/ 23 days	160
3 < 7 yrs	.1039	8.31	216 hours/27 days	160
7 < 10 yrs	.1193	9.54	248 hours/31 days	160
10 + yrs	.1347	10.77	280 hours/35 days	160

**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 Health and are rehired within one year, your PTO will resume accrual at the same rate as when you left, as long as you return to an eligible employment classification.

***Years of Service are calculated based upon your date of hire.*

±The PTO maximum accrual balance may differ in California. Please check with your HR office.

Example: Kelly’s hire date is January 1, 2008. Her PTO accrual for the first 3 years (0 < 3 years of service) will be 7.08 hours based on working 80 hours each pay period. January 1, 2011, Kelly will have been employed for 3 years and starts to accrue PTO at the next level (3-7 years of service) at 8.31 hours based on working 80 hours each pay period.

PTO Carryover Provision

Two different carryover provisions apply, depending on your hire date:

Employees Hired On or After January 1, 2009

Employees hired on or after January 1, 2009 will have a maximum PTO carryover provision of 160 hours (20 days).

Employees Hired Prior to January 1, 2009

Employees with hire dates prior to 2009 will be subject to a maximum annual PTO carryover provision equal to their current maximum PTO balance minus 45 hours. Each year until 2019, the maximum carryover provision will be reduced by an additional 45 hours each year until the maximum is reduced to 160 hours. All hours over the maximum in the new calendar year will not carry-over or be paid out. (This provision is not applicable to California or Nebraska employees; please see “Cash Out Provision for California and Nebraska Only” below.)

The following chart shows the maximum hours you may hold in your bank during each calendar year. The maximums take effect during the first pay period in each year; you may only carry-over up to the new maximum.

PTO Maximum Carry-over Hours for Employees Hired Prior to January 1, 2009 Reduction Schedule									
Years of Service	2011	2012	2013	2014	2015	2016	2017	2018	2019
0 < 3	278	233	188	160	160	160	160	160	160
3 < 7	358	313	268	223	178	160	160	160	160
7 < 10	438	393	348	303	258	213	168	160	160
10 +	518	473	428	383	338	293	248	203	160

With the first paycheck of each year, your bank will be reset as needed to bring you down to the new maximums, which decrease by 45 hours each year until you reach the 160 hour maximum. That means that by the end of each December you want to have used your PTO down to the new maximum for the next year. Here are some examples:

Kelly has been with Banner Health for five years and currently can hold up to 358 hours in her PTO bank. She will have that same maximum throughout 2011. By the last paycheck of 2011, Kelly needs to have a PTO balance at or below 313 hours (the new maximum that will take effect on her next paycheck). Any hours above 313 cannot be carried over into 2012.

Jose has been with Banner Health for more than 10 years and under the 2011 limits he can have no more than 518 hours in his PTO bank. Beginning with the first paycheck of 2011, Jose's new maximum will be 518 hours. He will need to use his PTO throughout 2011 to make sure that his balance is no higher than 473 hours by the last paycheck of 2011; any hours in his bank above 473 cannot carry-over into 2012 and will be lost.

Cash Out Provision for California and Nebraska Only

If a California or Nebraska employee's PTO balance is above the annual accrual beginning in 2011, they will be paid any PTO above the maximum at the end of the previous year. For example, if you have 340 accrued hours, and the cap for 2011 is 300 hours, you would receive a cash out of 40 hours in December of 2010 at 100% of its value, taxed at the supplemental rate (as required by federal law). The new accrual maximums will still apply to California and Nebraska employees.

PTO Donation

Banner Health 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.

Medical Emergency is defined as an illness, injury, impairment, or physical or mental condition that involves you or an immediate family member in:

1. An inpatient care in a hospital, hospice, or residential medical care facility; or continuing treatment by a health care provider that involves a period of incapacity of more than three consecutive calendar days, **or**
2. Any period of absence to receive multiple treatments (including any period of recovery) by a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than 3 consecutive calendar days in the absence of medical intervention or treatment, (e.g., chemotherapy/radiation for cancer, physical therapy for severe arthritis, and dialysis for kidney disease), **or**
3. A period of up to six weeks following childbirth or an incapacity as the result of complications arising from pregnancy or childbirth.
4. Medical emergency does not include the treatment of chronic conditions such as arthritis, diabetes, pain, obesity, etc. except in cases where a physician has ordered a prolonged absence due to separate emergent medical issues either associated with or exacerbated by the condition and that prevents an eligible employee from performing his/her job duties.

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 your spouse, child (includes step-children), parent, grandparent or spouse's parent or grandparent.

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.BannerBenefits.com.

PTO Hours and Disability Benefits

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

You will be required to supplement your 60% STD benefits with payment from your PTO balance, so that the combination of your STD benefit and payment for PTO hours equals your pre-disability budgeted hours during a bi-weekly pay period. 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 STD hours paid at 60%.

Short-Term Disability Plan

Introduction

A serious medical condition can result in the loss of income. The STD Plan provided by Banner Health and administered by Banner Plan Administration provides partial income replacement during short periods of disability. The benefits provided by the STD Plan are integrated with Banner Health's PTO Plan. The following information describes the benefits you may be eligible for during certain leaves of absence or if you are unable to work due to a medical condition that is not work related. (*Refer to Disability or Disabled (STD Definition) 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

To be eligible, an employee must be budgeted to work at least 32 hours per pay period in a benefits eligible employment status, excluding pay in lieu, per-diem, registry, weekend staffing, travelers, leased employees and all other non-benefit eligible positions.

STD Eligibility Effective Date

You become eligible to participate in the STD Plan on the first day following your completion of the benefit waiting period (*refer to Benefit Waiting Period in the Definitions Section*). Generally, you must complete 365 accumulative days of employment in an eligible position. If you are on a leave of absence, the days you are not actively at work do not count toward the 365 day benefit waiting period except in the case of days for which you also receive pay under the Paid Time Off program. If you satisfy the benefit waiting period during an excused absence, you must return to work before you are eligible to apply for STD.

In the case of military leave, 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 do not contact your facility Human Resources department within the stated time frames, your benefit waiting period may be impacted.

If you have a break-in-service due to termination of employment and you return to employment with Banner within 365 days, or if you cease to be an eligible employee and then return to an eligible position, the benefit waiting period will be adjusted to exclude the time period in which the employee was not employed by Banner Health or was not in an eligible position.

If a break-in-service due to termination occurs for greater than one year and you are rehired, the 365 day benefit waiting period will start over again. Refer to the “Break in Service” definition in this document and contact your local Human Resources department with questions.

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

Loss of Eligibility

You will cease to be eligible to participate in the STD Plan on the earliest of the following:

- The date you cease to be an employee;
- The date on which you change to an ineligible employment status;
- The date you begin an unexcused or unpaid leave of absence (other than an approved FML);
- The date of incarceration in any city, state or federal holding facility such as a jail or prison;
- The date of your death;
- The effective date of a plan amendment that eliminates such coverage; or
- The date the Plan is terminated.

Benefit Provisions

You must meet the eligibility requirements and be actively working at the time you become disabled. Refer to the “Actively Working” definition in this document and contact your local Human Resources department with questions.

STD payments may begin only if the Claims Administrator or Appeals Administrator, as applicable, determines that you suffer an injury or sickness that prevents you from performing each of the material duties of your regular occupation and that requires that you be under the regular care of a Health Care Provider. (*Refer to the Disability or Disabled definition in the Glossary/Definitions*).

After you are disabled for a seven (7) day waiting period, the STD Plan provides a benefit of 60% of your base pay, reduced by other income benefits as described below, during your medically certified and approved disability for up to 182 calendar days in a calendar year (see “STD Benefit Maximum” below for a description of how disabilities that span two calendar years are treated). The waiting period before you can begin to receive STD benefits is seven (7) calendar days. During the (7) calendar day waiting period, PTO will be used. STD benefits are paid on the basis of your regular bi-weekly pay period. 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. The effective date of your disability will be the date you first see your health care provider after your last day worked. The last day you worked will qualify as the start date of your disability only if you see your health care provider on that day.

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 Plan. If your state disability benefits are less than the amount of STD for which you are eligible under the STD Plan, the STD Plan will pay the difference between the amount of your state disability benefit and your STD benefit under the STD Plan. At no time will the STD Plan pay a benefit that, combined with the state disability benefits, would exceed the benefit to which you are entitled under the STD Plan.

PTO balances will be used to supplement your STD benefit up to 100% of your pre-disability budgeted hours during a pay period. PTO will be used until either the hours are depleted or you are no longer disabled under the STD Plan.

STD benefits 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;
- Amounts payable to you under other group insurance policies contributed to by Banner Health, 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;
- Amounts payable to you under no-fault auto laws and/or no fault insurance;
- Amounts payable to you under any plan or program of workers’ compensation; and
- Amounts payable to you under any 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 Health; or
 - Any sick pay or other income or salary continuation paid to you by Banner Health, other than vacation or holiday pay.

STD Benefit Maximum

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

- *Special Rules if Period of Disability Spans 2 Calendar Years.* If you become disabled in a calendar year and your short-term 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.

Example: Your disability payments started November 28, 2010 and continued through February 15, 2011. The entire claim of 80 days is charged to 2010.

- *Disability after Return to Work of Less than 28 Days Continues Initial Period of Disability.* If you return to active work in an eligible status after a short-term disability and again become disabled (the disability does not need to be a related to the initial medical condition) less than 28 consecutive calendar days after your return, it will be considered one period of disability and will be charged to the calendar year in which the first disability began. A new seven (7) calendar day waiting period will apply.

Example: Your STD benefits started November 28, 2010 and continued through February 15, 2011. This entire benefit is charged to 2010. Your provider and Occupational Health release you to work February 16, 2011. On March 10, 2011, you again become unable to work due to disability. Since you returned to work for only 22 days, any additional time that you are disabled will be considered part of the original 2010 claim. You are eligible to begin receiving STD benefits again on March 17, 2011. The period of time in both 2010 and 2011 that you are disabled in this example counts toward the maximum 182 calendar days of STD for the calendar year 2010. In this example, if you remained disabled, your 182 period of STD benefits would end on June 26, 2011.

- *Disability after Return to Work of 28 Days or More is New Period of Disability.* If you suffer another disability later in 2011 on or after July 25th (*i.e.*, at least 28 days after your prior disability), you would be eligible for a period of short-term disability in 2011 of up to 182 days.

General Exclusions of STD Plan

The STD Plan is provided at no cost to you. The STD Plan does not provide any benefits if your claim under the program is the result of a “third-party injury.” For purposes of the STD Plan, a “third-party injury” is an injury or illness which, in whole or in part, is related to an injury or illness for which a third-party and/or an insurer has made, is making, or has agreed to make payment to you. By making a claim for benefits under the STD Plan you are representing that your claim is not the result of a third-party injury for which a third-party and/or an insurer has made, is making, or has agreed to make payment to you. Banner Health is paying you benefits under the Plan, in reliance on your representation that your claim is not the result of a third-party injury for which a third-party and/or an insurer has made, is making, or has agreed to make payment to you.

If Banner Health learns that your claim is or was the result of a third-party injury for which a third-party and/or an insurer has made, is making, or has agreed to make payment to you, then you were not entitled to benefits under the STD Plan. Therefore, you agree to reimburse Banner Health for the benefits you have received, because you were not entitled to them. The amount you reimburse shall be up to but not in excess of any recovery you receive as a result of your claim for the third party injury, no matter how that recovery is characterized and without regard to the “make whole” doctrine.

In addition, STD benefits are not payable for:

- Disability incurred before the effective date of this Plan;
- Time during which you are attending any school or training program full-time based on the definition of a full-time student at the school or program you are attending;
- Disability incurred before the date you become eligible under the STD Plan;
- 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;
- Time during which you are incarcerated in any city, state or federal holding facility such as a jail or prison;

- Disability due to any injury, illness or impairment suffered while engaged in any business or employment for pay or profit other than employment with Banner Health;
- 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 that 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 or other person with a close personal or professional relationship to you;
- Disability for an occupational injury or illness for which you are eligible for benefits under any workers’ compensation law;
- Disability incurred during military service.

How to Request STD Benefits

The Claims Administrator decides your initial claim for benefits under the Plan. BPA is the Claims Administrator under the STD Plan. You can contact the Claims Administrator to file a claim at ABSENT8 at (888) ABSENT8 (1-888-227-3688) or in the Phoenix-metropolitan area (480) 684-7000, or

STD Claims

Banner Plan Administration

Attn: ABSENT8

P.O. Box 16846

Mesa, AZ 85211-6846

1-888-227-3688, or

480-684-7000 (in the Phoenix Metro area)

The initial application for an STD claim must be submitted within 30 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 30 days of the initial submission date, your claim will be denied.

Required medical certification must be submitted within 17 days after your request for the start of your FML or your claim 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 the Claims Administrator by you and your health care provider(s). You will be required to submit a signed and dated “Authorization to Release” within 30 days for the Plan Administrator to obtain your medical records; otherwise, the processing of your claim will be denied.

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. To determine payable claims, BPA may request medical records pertinent to your disability (including test/lab results, prescribed medications),

which the STD Plan's medical professionals will review. If requested, you must submit certification from your health care provider of your continuing disability on a form acceptable to BPA. Failure to comply with this paragraph may result in denial or termination of benefits.

- 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 ongoing 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 *Disability (STD definition) in the Definitions Section*).
- It is your responsibility to notify BPA if there is a change in health care providers or if you are referred to another health care provider(s) who will continue certification of disability.
- You must keep your supervisor/manager informed of your continuing disability status while on STD. Failure to do so may affect your STD benefits and/or your employment status.
- While you are receiving STD, excluding Living Donor Leave, ABSENT8 will be monitoring your STD claim and will send you forms to file a long-term disability (LTD) claim at approximately the 20th week of your disability. If you have not received the LTD forms by the time you have been disabled for 20 weeks, you should notify ABSENT8 immediately.

For LTD eligibility, you must have qualified for short-term disability benefits or workers' compensation benefits for the first 182 consecutive days of your disability, and remained an employee of Banner Health for such 182 day period. The definition of "Disability or Disabled" for LTD benefits under the LTD Plan is not the same as the definition of "Disability or Disabled" for the STD benefit under the Plan.

LTD payments may begin only if the Claims Administrator or Appeals Administrator under the LTD Plan, as applicable, determines that you suffer from an injury or sickness of permanent or long continued duration that, directly and independently of all other causes, disables you so that you are completely prevented from engaging in **any** occupation or employment without regard to your skill, experience, training or education.

Effective July 1, 2011, the Claims Administrator or Appeals Administrator must determine that you suffer from an injury or sickness of permanent or long continued duration that, directly and independently of all other causes, disables you so that you are completely prevented from engaging in **your regular** occupation or employment for up to 24 months of disability. After 24 months of LTD, in order to continue on the LTD Plan, your injury or sickness must prevent you from engaging in **any** occupation or employment without regard to your skill, experience, training or education. See the separate Summary Plan Description for the Banner Health Long-Term Disability Plan for more information.

STD Payment Questions and Answers

When will my STD benefits begin?

If you have satisfied the 365 day benefit waiting period, and are in an eligible status, STD pay begins after you are disabled for seven (7) calendar days.

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(s), and reviewed and approved by the Plan Administrator. It is your responsibility to make sure the necessary forms are completed by your health care provider(s).

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 ABSENT8 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.

Light Duty Work Program Eligibility

If, taking into account the nature and extent of your disability, your health care provider certifies that you are able to perform a temporary job assignment, you may be eligible for LDW for a period of not more than 60 days.

How to Begin a Light Duty Work Program While on STD

The Light Duty Work Program is designed to help you if you are disabled under the STD Plan, but remain able to work a reduced number of hours per day, days per week and/or otherwise limit your work capabilities.

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. This written release needs to be presented to Occupational Health / Employee Health before returning to work. Light Duty Work allows you to return to work with your facility (or another Banner facility) 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 ABSENT8 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 (unless you are also on an approved leave of absence under the Family and Medical Leave Act). 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 Program 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:

- You must be available to work where needed and within the established restrictions.

- Depending on assignment availability, you may be requested to work a different schedule from that to which you are normally accustomed.
- You must complete your time record utilizing KRONOS. Please contact your supervisor/manager for specific instructions (also applies to employees in “exempt” status).
- It is your responsibility to notify your Disability Representative if your schedule needs to be adjusted.
- Hours are expected to be worked as scheduled. Failure to do so may result in disciplinary action and/or loss of STD benefits.
- As with all employees, at all times, you must meet the core behaviors established for Banner Health.
- LDW is not a regular release to work so does not allow overtime, holiday pay, and call back.
- The STD waiting period cannot be charged to the LDW cost center. LDW cannot be placed on employee’s scheduler in KRONOS.

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 Health 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 be seen by Occupational Health/ Employee Health prior to reporting to work. Contact your Disability Representative on the day you return to work by faxing the “return to work” slip to 480-684-7201. Your Disability Representative 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.

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.

Living Donor Leave

Introduction

The Banner Health Living Donor Leave provides 100% of your base pay during an approved leave for the purpose of being a bone marrow or organ donor; the leave must be medically verified.

The time while on Living Donor Leave will be paid 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 program will require approval by ABSENT8 and will be counted towards the FML and the STD maximum days per calendar year.

The Living Donor Leave is available only when it is 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

To be eligible for Living Donor Leave, an employee must be budgeted to work at least 32 hours per pay period in a benefits eligible employment status, excluding pay in lieu, weekend staffing, travelers and all other non-benefits eligible positions. You become eligible for Living Donor Leave on the first day following your completion of the benefit waiting period (refer to *STD Eligibility Effective Date* above for details).

Living Donor Leave is not available to an employee who is on an approved leave of absence 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. This leave does not run concurrent with other leaves of absence at the same time for another reason. Living Donor Leave benefits are paid by the STD Plan.

Application for Living Donor Leave

Contact ABSENT8 at (888) ABSENT8 (1-888-227-3688) or (480) 684-7000 for Living Donor Leave application forms. Claims are filed with and managed by 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.

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 period. The STD pay will be provided to bring your compensation to the full pre-disability budgeted hours during a bi-weekly pay period 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 30 days	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 Health will continue the Living Donor Leave supplement up to but not exceeding your full budgeted hours during a bi-weekly pay period. 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 – for 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 be seen by Occupational Health/ Employee Health prior to reporting to work. Contact your Disability Representative on the day you return to work by faxing the “return to work” slip to (480)684-7201. Your Disability Representative will work with your department supervisor/manager to notify her or 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.

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 Living 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 are eligible for FML 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 (up to 26 weeks of unpaid, job-protection leave for “military caregiver leave” as described below). Employees are eligible if they have been employed by Banner Health for at least 12 months and worked at least 1,250 hours (actual hours worked, excluding 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 his or her job.
- To care for the employee’s child after birth, or placement of a child with the employee for adoption or foster care;
- To care for the employee’s spouse, son or daughter, or parent who has a serious health condition;

- To care for the employee's son, daughter, parent, or next of kin as the result of a serious illness or injury obtained in the line of duty while on active duty (up to 26 weeks of leave during a single 12 month period is available for this type of leave, called "military caregiver leave"); or
- Leave to support a family member 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 the leave request using Banner Health's current call-in procedures. 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. Your leave may be denied if requirements are not met.

Job Benefits and Protection

- For the duration of FML, Banner Health will 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 in most circumstances.
- The use of FML cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

FML is unpaid unless you have PTO available. If PTO is available it will be used to count against unpaid time, unless you qualify for STD, Workers' Compensation, or extended sick leave. Your FML may be running concurrently with a STD or Workers' Compensation 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 ABSENT8 at (888) ABSENT8 (1-888-227-3688) or in the Phoenix-metropolitan area (480) 684-7000.

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. 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 Plan

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.

Plan Administration

The **Plan Administrator** has the sole and complete discretionary authority to control and manage the operation and administration of the Plan, and to construe the terms of the Plan, including the making of factual determinations. The Plan Administrator is Banner Plan Administration (BPA). You can contact BPA at 1-888-227-3688 or 480-684-7000 in the Phoenix-metropolitan area.

The **Claims Administrator** has the sole and complete discretionary authority to determine initial claims for Plan benefits and, in carrying out this function, to construe the terms of the Plan, including the making of factual determinations. The Claims Administrator is:

Banner Plan Administration
Attn: ABSENT8
P.O. Box 16846
Mesa, AZ 85211-6846
480-684-7000(in the Phoenix Metro area)

The **Appeals Administrator** has the sole and complete discretionary authority to determine participant appeals of denied claims for Plan benefits and, in carrying out this function, to construe the terms of the Plan, including the making of factual determinations. The Appeals Administrator is:

Appeals and Grievance Committee
P.O. Box 16423 6th Floor
Mesa, AZ 85211-6423
480-684-7070 (in the Phoenix Metro area)

The Claims Administrator (with respect to initial claims for benefits) and the Appeals Administrator (with respect to appeals of denied claims for benefits) shall have the discretionary authority to grant or deny benefits under the Plan. Benefits under the Plan will be paid only if the Claims Administrator, or Appeals Administrator, as applicable, decides in its sole and complete discretion that the applicant is entitled to them. The decisions of the Plan Administrator, Claims Administrator, and Appeals Administrator, as applicable, 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 Plan. The Plan Administrator, Claims Administrator, and Appeals Administrator, as applicable, may seek such expert advice as reasonably necessary with respect to the Plan. The Plan Administrator, Claims Administrator, and Appeals Administrator, as applicable, 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 Plan from time to time, as it deems necessary or appropriate.

Appeal Procedure

If your initial claim for benefits under the Plan is denied, the Appeals Administrator decides the appeal for benefits under the Plan. The Appeals Administrator is the Appeals and Grievance Committee and you can contact the Appeals Administrator with respect to your appeal of a denied claim for benefits at:

Appeals and Grievance Committee
P.O. Box 16423 6th Floor
Mesa, AZ 85211-6423
480-684-7070

The Plan Administrator's, Claims Administrator's and Appeals Administrator's authority is described in the *Plan Administration* Section.

- If your claim is denied in whole or in part and you do not agree with the reason for the denial, you should write, within 180 days of the date you were notified of the claim denial, to BPA. During your appeal period, you will have the opportunity to submit written documents, comments, records, and other information relating to your claim. Your written appeal must state why you believe the claim should not have been denied and submit any data, questions or comments you think are appropriate.
- You will be notified in writing by the Appeals Administrator of the decision within 45 days of the date of receipt of your appeal. If special circumstances exist, the Appeals Administrator may extend its response up to an additional 30 days and you will be notified in writing of the date by which the Committee's decision has been made. The decision of the Appeals Administrator will be final

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.

Limitations Period on Legal Actions and Limitation on Venue

Except for an action brought for FMLA benefits under the Plan, no legal action may be brought for benefits under the Plan after one (1) year from the date of the Appeals Administrator's decision on appeal. A participant or beneficiary shall bring any legal action in connection with the Programs (PTO and STD) only in Phoenix Arizona.

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 is an active employee on paid time off (PTO), in accordance with Banner Health’s applicable personnel policies.

“Base Pay” means an employee’s hourly base rate of pay times the number of hours worked in a year divided by 26 pay periods, excluding 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 workers’ compensation.

“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. 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 during which the employee is budgeted to work at least 32 hours per pay period in a benefits eligible employment status. The day after this Benefit Waiting Period is fulfilled, STD eligibility begins.

“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).

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

“Calendar Year” means the 365 days counting from January 1st through December 31st.

“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.

“Disability” or “Disabled” (STD Definition) means a non-occupational injury due to sickness, pregnancy or accidental injury that prevents you from performing each of the material duties of your regular occupation and that requires that you be under the regular care of a health care provider. The condition of disability is determined solely by BPA in its sole discretion.

“Disability” or “Disabled” (LTD Definition) means an injury or sickness of permanent or long continued duration which, directly, and independently of other injury or sickness, completely prevents you from engaging in **any** occupation without regard to your skill, experience, training or education. Effective July 1, 2011, Long-Term Disability means an injury or sickness of permanent or extended duration which, directly, and independently of all other causes, completely prevents you from engaging in your **regular** occupation for up to 24 months. Following 24 months of LTD, in order to continue on the LTD Plan, your injury or sickness must prevent you from engaging in **any** occupation without regard to your skill, experience, training or education. For LTD eligibility, you must have qualified for short-term disability benefits or workers’ compensation benefit for the first 182 consecutive days of your disability.

“Eligible Status” means budgeted to work at least 32 hours in a bi-weekly pay period and classified in 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 your status as either eligible or ineligible for Paid Time Off, Short-Term Disability and Long-Term Disability, as classified by Banner Health. (Refer to the definition of Eligible Status).

“Excused Absence” means any period during which an employee is excused by Banner Health, 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 Banner Health, 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 Health operates, business leave, Living Donor Leave, Family Medical Leave, military leave, jury duty, or leave while receiving workers’ compensation, as provided under the policies of Banner Health 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” or “FML” means a leave taken by an employee for any reason permitted under the federal Family Medical Leave Act (FMLA).

“Full-time Employee” means a full-time (FA) budgeted position of 64 or more hours during pay period (two week period of time). All other employment classifications other than Part-Time Employee are excluded, which includes pay in lieu, per-diem, registry, weekend staffing, travelers, leased employees and all other non-benefit 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 the employee.

“Hire Date” or “Date of Hire” means the first day the employee is actively at work

“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.

“Hours Worked” means hours, for which the employee is 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 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

“**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 absence during which you are not actively at work.

“**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 for the purpose of donating bone marrow or an organ, which is paid under the STD Plan.

“**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 law 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.

“**Paid Time Off (PTO) Benefits**” means the payments made by Banner Health during any calendar year under its “paid time off” policy.

“**Part-Time Employee**” means a part-time (PA) budgeted position regularly scheduled to work 32 hours but not more than 63 hours during a pay period (two week period of time). All other employment classifications other than full-time employee are excluded, which includes pay in lieu, per-diem, registry, weekend staffing, travelers, leased employees and all other non-benefit eligible positions.

“**Pay Period**” means the regularly scheduled hours during a bi-weekly pay period (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 Banner Health 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” means for purposes of the Time Off Program, 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 Period” means the total budgeted hours of a position that an employee was hired to work by Banner Health in a two week payroll period. It 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, which 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.

“Traveler” means 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 Health.

“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 for each 24 hours worked each weekend for Banner Health.

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