



William Marsh Rice University Short Term Disability Plan

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Contact Information

Plan Administrator: William Marsh Rice University
Address and Telephone #: Human Resources - MS92
P.O. Box 1892
Houston, TX 77251-1892
(713) 348-2514

Claims Administrator: Unum Life Insurance Company of
America
Address and Telephone #: 2211 Congress Street
Portland, ME 04122
207-575-2211

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II. Overview of Plan

The Short-term Disability Plan (the “Plan”) is a benefit program under the William Marsh Rice University Health and Welfare Plan.

The Plan is a short term disability income protection benefit plan (“Plan” or “Short Term Disability Plan”) which is intended to replace a portion of your income in the event a sickness or injury prevents you from working for a period of time. **This Plan does not provide benefits for occupational injuries or sicknesses.** Detailed information about your eligibility for coverage, what benefits are payable, how to file a claim, and other features of this Plan are contained in this document.

The Plan is funded as provided in the Summary of Benefits section of this document. We have engaged Unum Life Insurance Company (Unum) to provide certain administrative claims handling services for the Plan. Neither Unum nor any of its affiliates or related insuring entities insures the benefits under this Plan or has any responsibility to fund benefits under the Plan.

We reserve the right to modify, amend, suspend or terminate, in whole or in part, any of the provisions of this Plan at any time for any reason or for no reason. When making a benefit determination under the Plan, we have discretionary authority to determine your eligibility for benefits and to interpret and enforce the terms and provisions of the Plan. We may delegate some or all of this authority to Unum at any time.

“We”, “us”, and “our”, as used in this summary, refer to William Marsh Rice University (Rice University). Rice University is the Plan’s sponsor.

This document is written in plain English. If you do not understand any of the terms in it, or desire more information, you should contact Rice’s Human Resources department using the contact information on the cover page. Many of the terms used in this document are defined in the Definitions Section. Be sure to read all the definitions so that you will understand the Plan fully.

III. Summary of Benefits

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

EMPLOYER: William Marsh Rice University (Rice)

ELIGIBLE GROUP(S):

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

- Staff who are employed in a position that requires 20 or more hours of work per week and at least 1,000 hours each year.
- Tenure track faculty members.
- Annually appointed faculty teaching at least three courses per academic year (or the equivalent) on an annual appointment for two semesters.

MINIMUM HOURS REQUIREMENT:

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

Staff must be working at least 20 hours per week and at least 1,000 hours each benefit year.

WAITING PERIOD:

For employees in an eligible group: None

ELIMINATION PERIOD:

For Staff:

- 7 calendar (equivalent to 5 working) days for disability due to an injury or sickness; or

For Faculty: None

Benefits begin to accrue the day after the elimination period is completed.

WEEKLY BENEFIT AMOUNT:

80% of weekly earnings

Your payment may be reduced by deductible sources of income and in some cases by the income you earn while disabled.

WEEKLY EARNINGS:

Means your usual weekly rate of pay from the Employer (including summer salary for faculty), not counting:

- commissions;
- bonuses;
- shift differential;
- overtime pay; or
- any other fringe benefit or extra compensation.

If you become disabled, your Weekly Earnings will be the rate in effect on your last day as an active full-time employee before becoming disabled.

MAXIMUM PERIOD OF PAYMENT:

26 weeks

OCCUPATIONAL INJURIES:

This Short Term Disability Plan does not cover disabilities due to an occupational sickness or injury. However, the program may pay a benefit in the case where your worker's compensation benefits are exhausted and you are awaiting Long Term Disability benefits. Please contact Unum for eligibility.

WHO PAYS FOR THE COST OF PLAN FUNDING?

The Plan is unfunded and all amounts paid under the Plan shall be paid from the general assets of Rice University.

IV. Eligibility

WHEN ARE YOU ELIGIBLE FOR COVERAGE?

If you are in an eligible group, the date you are eligible for coverage is the later of:

- the Plan effective date; or
- the day after you complete your **waiting period**.

WHEN DOES YOUR COVERAGE BEGIN?

If we fund the benefits under the Plan, you will be covered at 12:01 a.m. at our primary place of business on the date you are eligible for coverage.

If you pay any portion of the cost of funding benefits under the Plan, you will be covered at 12:01 a.m. at our primary place of business on the date you apply for coverage and are eligible for coverage.

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

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

Normal time off and active appointments at Rice are considered active employment.

WHEN WILL CHANGES TO YOUR COVERAGE TAKE EFFECT?

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

WHEN DOES YOUR COVERAGE END?

Your coverage under the Plan ends on the earliest of:

- the date the Plan is terminated by us;
- the date you are no longer in an eligible group (i.e., the date you are no longer benefits eligible);
- the date your eligible group is no longer covered;
- the last day of the period for which you made any required contributions to the Plan; or
- the last day you are in active employment.

WHAT HAPPENS IF YOU ARE ON A LEAVE?

If you are on a layoff or leave, including a Family and Medical Leave, coverage will commence and continue in accordance with our Human Resource procedures on leaves. Similarly, changes in your coverage while you are on a leave may occur as described in our Human Resource procedures on leaves.

V. Benefit Provisions

WHEN ARE YOU CONSIDERED DISABLED?

DEFINITION OF TOTAL DISABILITY

You are disabled when we determine that due to your **sickness or injury**:

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

DEFINITION OF RESIDUAL DISABILITY

You are disabled when we determine that:

- you are limited from performing the **material and substantial duties** of your **regular occupation** due to your **sickness or injury**; and
- you have a 20% or more loss in weekly earnings due to that same sickness or injury.

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

If you have a Cesarean section, you will be considered disabled for a minimum period of eight weeks beginning on the date of your Cesarean section, unless you return to work prior to the end of the eight weeks. Normal Vaginal delivery will be considered disabled for a minimum period of six weeks beginning on the date of the delivery.

We or our claims representative may require you to be examined by a physician, other medical practitioner and/or vocational expert of our or its choice. This examination will be at no cost to you and can be required as often as it is reasonable to do so. We may also require you to be interviewed in person by us or our representative.

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

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

WHEN WILL YOU BEGIN TO RECEIVE PAYMENTS?

You will begin to receive weekly payments when your claim is approved, providing the elimination period has been met. After the elimination period, if you are disabled for less than one week, you will receive 1/7th of your payment for each day of disability. Your pay will continue in the normal manner in which you regularly receive pay (either via paper check or direct deposit), and on the normal pay schedule, as set by Rice University.

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

We will follow this process to figure your payment:

1. Multiply your **weekly earnings** by the weekly benefit percentage amount as stated in the Summary of Benefits.
2. The maximum **weekly benefit** is as stated in the Summary of Benefits.
3. Compare the answer from Item 1 with the maximum weekly benefit. The lesser of these two amounts is your **gross disability payment**.
4. Subtract from your gross disability payment any **deductible sources of income**.

The amount figured in Item 4 is your **weekly payment**.

WHAT ARE YOUR WEEKLY EARNINGS?

"**Weekly earnings**" means your gross weekly income from us in effect just prior to your date of disability. See Summary of Benefits for a description of how weekly earnings are calculated.

WHAT WILL WE USE FOR WEEKLY EARNINGS IF YOU BECOME DISABLED DURING A LAYOFF OR LEAVE OF ABSENCE?

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

WHAT BENEFIT WILL YOU RECEIVE IF YOU ARE WORKING AND DISABLED?

We will send you the weekly payment if you are disabled and your weekly disability earnings, if any, are less than 20% of your weekly earnings.

If you are disabled and your weekly disability earnings are from 20% through 80% of your weekly earnings, you will receive payments based on the percentage of income you are losing due to your disability. We will follow this process to figure your payment:

1. Subtract your disability earnings from your weekly earnings.
2. Divide the answer in Item 1 by your weekly earnings. This is your percentage of lost earnings.
3. Multiply your weekly payment as shown above by the answer in Item 2.

This is the amount we will pay you for each week.

We may require you to send proof of your disability earnings each week. We will adjust your weekly payment based on your disability earnings.

As part of your proof of disability earnings, we can require that you send us appropriate financial records which we believe are necessary to substantiate your income.

WHAT ARE DEDUCTIBLE SOURCES OF INCOME?

Payments that you receive as disability income payments are deductible sources of income and will be subtracted from your gross disability payment if they are paid pursuant to or under any:

- state compulsory benefit act or law,
- no fault motor vehicle plan,
- automobile liability insurance policy,
- other group insurance or benefit plan,
- from a third party (after subtracting attorney's fees) by judgment, settlement, or otherwise,
- the United States Social Security Act, the Canada Pension Plan, the Quebec Pension Plan, or any similar plan or act, or
- Employer Retirement Plan.

Only deductible sources of income that are payable as a result of the same disability will be subtracted from the weekly payment.

Retirement Plan payments will be those benefits that are based on our contribution to the Retirement Plan. Disability benefits that reduce the retirement benefit under the Plan will not be subtracted from the weekly payment.

You must notify us whenever you receive payments that are deductible sources of income. You must repay us for any overpayment of your claim resulting from your failure to notify us in a timely manner of such income.

HOW LONG WILL YOU RECEIVE PAYMENTS?

You will receive a payment each week you qualify for benefits up to the **maximum period of payment**.

WHEN WILL PAYMENTS STOP?

We will stop sending you payments and your claim will end on the earliest of the following:

- the end of the maximum period of payment;
- the date you are no longer disabled under the terms of the Plan;
- the date you fail to submit proof of continuing disability;
- after four consecutive weeks of payments, when you are able to return to work in your regular occupation on a Part-Time Basis but choose not to;
- the date you die; or
- after six months of payments if you are considered to reside outside the United States or Canada. You will be considered to reside outside these countries when you have been outside the United States or Canada for a total of six months or more during any twelve consecutive months of benefits.

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

If the same or related causes produce additional periods of disability, the benefits due to you are calculated by the original benefit schedule, and the total hours or days covered are reduced by the amount of time already used for that disability. However, each disability resulting from a new cause will be considered separately, and short-term disability benefits may be used for more than one unrelated disability per service year, subject to the service-related limits shown below.

Limits on total time allowed:

- 40 weeks total in five years with less than 10 years service with Rice
- 52 weeks total in three years with more than 10 years service with Rice

VI. Exclusions and Limitations

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

- injury, sickness, mental illness, substance abuse, or pregnancy not being treated by a physician or surgeon;
- war or act of war (declared or not);
- commission of or attempt to commit a felony, or to which a contributing cause was your being engaged in an illegal action or resulting incarceration;
- intentionally self-inflicted injury, while sane or insane;
- sickness or injury for which workers' compensation benefits are paid, or may be paid; or
- injury sustained as a result of doing any work for pay or profit for another employer.

If you are receiving, or are eligible to receive, benefits for a Disability under a prior plan of disability benefits that:

- was sponsored by the Employer; and
- was terminated on the day before the Effective Date of this plan,
- then no benefits will be payable for the Disability under this plan.

VII. Claim and Appeal Information

WHEN DO YOU NOTIFY US OF A CLAIM?

We encourage you to notify Unum of your claim as soon as possible, so that a claim decision can be made in a timely manner. Written or verbal notice of a claim should be sent to Unum within 30 days after the date your disability begins. In addition, you must send Unum written proof of your claim no later than 90 days after your elimination period. If it is not possible to give proof within 90 days, it must be given no later than one year after the time proof is otherwise required except in the absence of legal capacity.

You must notify Unum immediately when you return to work in any capacity. Unless we have given you different delivery instructions, you should use the contact information on the cover page when notifying Unum of your claim.

HOW DO YOU FILE A CLAIM?

A claim form, which can be used as your proof of claim, is available from Unum or from us. If you do not receive the form within 15 days of your request, send Unum written proof of claim without waiting for the form.

You must fill out the employee section of the claim form, have us complete the employer section and then give it to your attending physician. Your physician should fill out his or her section of the form and send it directly to Unum. Alternatively, you may follow any claims filing procedures approved by us and Unum. We will separately advise you of any such procedures.

WHAT INFORMATION IS NEEDED AS PROOF OF YOUR CLAIM?

Your proof of claim, provided at your expense, must show:

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

Rice University or Unum may request that you send proof of continuing disability indicating that you are under the regular care of a physician. This proof, provided at your expense, must be received within 45 days of a request by Unum or us.

In some cases, you will be required to give Unum and us authorization to obtain additional medical information, and to provide non-medical information as part of your proof of claim, or proof of continuing disability. We will deny your claim, or stop sending you payments, if the appropriate information is not submitted.

TO WHOM WILL PAYMENTS BE MADE?

Payments will be made to you.

WHAT HAPPENS IF YOUR CLAIM IS OVERPAID?

We have the right to recover any overpayments due to:

- fraud;
- any error made in processing a claim; and
- your receipt of deductible sources of income.

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

FRAUD WARNING

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

WHAT ARE THE TIME LIMITS FOR LEGAL PROCEEDINGS?

Unless special circumstances apply, all administrative appeal procedures offered by us must be completed before you begin any legal action regarding your claim. In no event, can you start any legal action regarding your claim more than three years from the time proof of claim is required, unless other timeframes apply under federal law.

CLAIM AND APPEAL PROCEDURES

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

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

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

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

VIII. Definitions

ACTIVE EMPLOYMENT means you are working for Rice for earnings that are paid regularly and you are performing the material and substantial duties of your regular occupation. You must be working at least the minimum number of hours as described under the minimum hours requirements, as shown in the Schedule of Benefits. Normal vacation and an active appointment are considered active employment.

DEDUCTIBLE SOURCES OF INCOME means income from deductible sources listed in the Plan which you receive or are entitled to receive while you are disabled. This income will be subtracted from your gross disability payment.

DISABILITY EARNINGS means the earnings which you receive while you are disabled and working, plus the earnings you could reasonably be expected to receive if you were working to your maximum capacity.

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

EMPLOYEE means a person who is in active employment with Rice.

EMPLOYER means William Marsh Rice University (Rice).

GROSS DISABILITY PAYMENT means the benefit amount before we subtract deductible sources of income and disability earnings.

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

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

LAW, PLAN OR ACT means the original enactments of any law, Plan or act and all amendments.

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

LIMITED means what you cannot or are unable to do.

MATERIAL AND SUBSTANTIAL DUTIES means duties that:

- are normally required for the performance of your regular occupation; and
- cannot be reasonably omitted or modified, except that if you are required to work on average in excess of 40 hours per week, we will consider you able to perform that requirement if you are working or have the capacity to work 40 hours per week.

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

MAXIMUM PERIOD OF PAYMENT means the longest period of time the Plan will make payments to you for any one period of disability. Eligible faculty and staff are subject to the following schedule:

<u>Length of Employment</u>	<u>Faculty</u>	<u>Professional Staff</u>	<u>Technical/ Support Staff</u>
0 - 1 year	1/2 Academic Year Salary	0 days	0 hours
1 year - 3 years	Same as above	65 days	520 hours
3 + years	Same as above	130 days	1040 hours

If the same or related causes produce additional periods of disability after an employee returns from an approved short-term disability leave, the benefits due to the individual are calculated by the original benefit schedule, and the total hours or days covered are reduced by the amount of time already used for that disability. However, each disability resulting from a new cause will be considered separately, and short-term disability benefits may be used for more than one unrelated disability per service year, subject to the service-related limits shown below.

Limits on total time allowed

- 26 weeks total in five years with less than 10 years service
- 52 weeks total in five years with more than 10 years service

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

PART-TIME BASIS means the ability to work and earn between 20% and 80% of your weekly earnings.

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

PHYSICIAN means:

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

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

PLAN means this Short Term Disability Income Plan, a benefit program under the William Marsh Rice University Health and Welfare Plan.

REGULAR CARE means:

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

REGULAR OCCUPATION means the occupation you are routinely performing when your disability begins. We will look at your occupation as it is normally performed in the national economy, instead of how the work tasks are performed for a specific employer or at a specific location.

RETIREMENT PLAN means a defined contribution plan or defined benefit plan. These are plans which provide retirement benefits to employees and are not funded entirely by employee contributions. Retirement Plan includes, but is not limited to, any plan which is part of any federal, state, county, municipal or association retirement system.

SICKNESS means an illness or disease.

UNUM means the entity affiliated with Unum Life Insurance Company of America as identified on the cover page of this Plan.

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

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

WEEKLY BENEFIT means the total benefit amount an employee is eligible for under the Plan subject to the maximum benefit.

WEEKLY EARNINGS means your gross weekly income from us just prior to your disability as defined in the Plan.

WEEKLY PAYMENT means your payment after any deductible sources of income have been subtracted from your gross disability payment.

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

IX. ERISA Provisions

The Plan is not a welfare benefits plan within the meaning of Section 3(1) of ERISA and the benefits provided hereunder are not covered or subject to ERISA.