



FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

GENERAL POLICY No. 624
SUBJECT: BENEFIT PROCEDURES FOR DISABLED OR TERMINATING
EMPLOYEES

I. PURPOSE:

This policy establishes procedures for the administration of benefits for disabled or terminating employees and establishes criteria for the termination and/or transfer of the costs of the benefit programs to such employees.

II. POLICY:

It shall be the policy of the Cooperative to provide certain benefits to an eligible employee who is unable to work due to illness or injury, and to comply with the Workers Compensation laws of the states of Idaho, Wyoming and Montana, as applicable.

III. RESPONSIBILITY:

The CEO/General Manager

IV. PROVISIONS:

A. Definitions

1. Cooperative Sponsored Employee Benefit Programs for the purpose of this Policy are:
 - a. Retirement and Security Plan - defined benefit
 - b. 401(k) Pension Plan - contributory
 - c. Employee and Dependent Life Insurance
 - d. Employee Vision and Dental Insurance

- e. Group Medical Insurance
 - f. Short (STD) and Long-Term Disability (LTD) Insurance
 - g. Business Travel Insurance
2. Employee Leave that may be earned and accrued:
- a. Vacation (GP 620)
 - b. Sick leave (GP 621)
3. The "Date of Disability" means the first full day of Active Work missed as the result of illness or injury, excluding the day the injury occurs, or the day of the onset of the illness, unless it occurs prior to beginning Active Work that day.
4. Base Net Income is the amount of pay an employee currently receives for eight (8) regular hours of Active Work or Employee Leave per day at the regular rate of pay the employee was receiving on the Date of Disability.
5. Active Work shall refer to time when an employee is performing services for the Cooperative.
- B. When the injury or illness is not associated with or the result of the individual's employment with the Cooperative, the Cooperative will continue to pay its portion of all Cooperative sponsored Employee Benefit Programs that the Cooperative paid before the Date of Disability, for the employee and their enrolled dependents, so long as the employee is eligible for STD or LTD, or if earlier, until the Employee's transfer to inactive status, retirement or termination. The Employee will be responsible to pay for any elected supplemental benefits and any portion of their Cooperative Sponsored Employee Benefit Programs as had been previously elected or fixed. If the employee terminates employment, retires, or is transferred to inactive status, they may be eligible to continue

group health insurance coverage through COBRA or enroll in the retiree health plan, depending on the employee's status.

1. Short Term Disability ("STD")

- a. Will commence one (1) week after the Date of Disability and last a maximum of 13 weeks. Employee will be responsible to comply with any requirements to submit reports on income and health.
- b. The employee will not accrue Employee Leave during the period the employee receives STD benefits unless and to the extent that the employee uses Employee Leave or returns to Active Work while receiving STD insurance benefits.
- c. To the extent the employee has "compensation" (e.g., uses Employee Leave), employee contributions to Cooperative-Sponsored Employee Benefit Programs will continue unless the employee suspends his/her elected contributions to such program(s). If the employee is not receiving compensation, the employee must pay for their share of any Cooperative-Sponsored Employee Benefit Programs using after-tax funds, if allowed by the program(s).
- d. An employee's STD insurance benefits may be supplemented with pay from accrued Employee Leave, provided that total income does not exceed the employee's Base Net Income each day for the period of disability. Employees must exhaust sick leave before using vacation leave.

2. Long Term Disability ("LTD")

- a. Will commence upon approval by the LTD plan administrator thirteen (13) weeks after the Date of Disability. Employee will

be responsible to comply with any requirements to submit reports on income and health.

- b. The Employee will not accrue Employee Leave during the period the employee receives LTD benefits unless and to the extent that the employee uses Employee Leave or returns to Active Work while receiving LTD insurance benefits.
 - c. To the extent the employee has “compensation” (e.g., uses Employee Leave), employee contributions to the Cooperative-Sponsored Employee Benefit Programs will continue unless the employee suspends his/her elected contributions to such program(s). If the employee is not receiving compensation, the employee must pay for their share of any Cooperative-Sponsored Employee Benefit Programs using after-tax funds, if allowed by the program(s).
 - d. An employee’s LTD benefits may be supplemented with pay from accrued employee leave, provided that total income does not exceed the employee’s base net income each day for the period of disability. Employees must exhaust sick leave and vacation leave.
3. If the employee receiving LTD is not expected to return to active work, that employee will be considered an inactive employee.
- a. The Cooperative will no longer make contributions to Cooperative Sponsored Employee Benefit Programs on behalf of any inactive employee. However, such employee may elect to remain on any benefit programs as long as they qualify as an eligible inactive employee, through COBRA or as a retiree, and would be responsible for the entire cost of any required contributions.

- b. Employees will not accrue employee leave while an inactive employee. The Cooperative will pay any unused employee leave balance the employee may be carrying upon becoming an inactive employee to the employee, or at the employee's prior direction, to the employee's 401(k) plan account.
- C. When an employee experiences an injury or illness that is the result of or associated with the individual's employment with the Cooperative, he/she may be eligible for compensation in accordance with the Workers' Compensation Laws of the State of Idaho, Wyoming or Montana.
 - 1. In such circumstances, the Cooperative will continue to pay its share of the premiums for all Cooperative Paid Employee Benefit Programs until the Cooperative determines that the employee will not return to active work.
 - 2. To the extent the employee has "compensation" (e.g., uses employee leave), employee contributions to the Cooperative Sponsored Employee Benefit Programs will continue unless the employee suspends his/her elected contributions to such program(s). The employee will continue to be responsible for their share of any supplemental benefit premiums or other benefit costs. If the employee is not receiving compensation, the employee must pay for their share of any Cooperative Sponsored Employee Benefit Programs using after-tax funds, if allowed by the program(s).
 - 3. The employee may use leave to provide supplemental income while such Workers' Compensation claim is pending. However, accrual of employee leave will cease as of the Date of Disability (except to the extent the employee uses employee leave). Sick leave must be used before vacation leave.

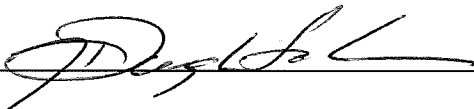
4. If the Cooperative determines the employee will not return to active work, the Cooperative will cease making contributions to Cooperative Sponsored Employee Benefit Programs. However, an employee may elect to remain on any benefit programs as long as they qualify as an eligible inactive employee, through COBRA or as a retiree, and would be responsible for the entire cost of any required contributions.
- D. Thirty (30) days after an employee's Date of Disability, and as needed thereafter, the CEO/General Manager, the employee's manager and/or supervisor and the Human Resource Manager will review the employee's status. Points that will be considered shall include, but are not limited to:
1. The employee's Family Medical Leave Act status.
 2. The employee's return to Active Work, disability insurance benefits or Workers' Compensation claim status. If the employee's claims for disability and Workers' Compensation were denied and the employee has not returned to Active Work when requested, he/she will be terminated. The employee will be informed, in writing of the termination. The letter must specifically tell him/her of his/her termination and the reasons for such action.
- E. Upon termination of the employee for any reason, he/she will be paid for any remaining accrued sick and vacation leave. However, any outstanding balance owed to the Cooperative may be withheld from such payment, or any other payment, to the extent allowed by applicable law.
- F. When the Cooperative determines that an employee that has been on disability leave is eligible to return to Active Work, the procedures of Policy 621 [Sick Leave] shall be used.
1. Upon return to active work by a formerly disabled employee, the Cooperative will again pay its share of the Cooperative Paid Employee Benefit Programs as the employee becomes eligible for

such programs. Such benefits shall be based on the pay level the employee receives upon his/her return to work and may have no relation to the position or pay the employee was receiving at the time of his/her disability.

V. PRIMACY OF POLICY:

This policy supersedes any existing policy that may be in conflict with the provisions of this policy. This policy does not represent a contract between the Cooperative and employee, and the Cooperative herein may change the policy alone and without notice.

APPROVED BY THE BOARD OF DIRECTORS



Doug Schmier, President

DATE EFFECTIVE: July 28, 2008

DATE REVISED: May 26, 2009

December 10, 2010

March 26, 2012

May 30, 2018