



HUMAN RESOURCES POLICIES AND PROCEDURES

SUBJECT: **Short Term Disability (STD)**

EFFECTIVE DATE: **1/1/2009**

REVISION DATE: **2021**

POLICY NO. **218**

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This is a total policy revision of former policy 501 (STD).

This Policy covers all individuals employed by Perdue Agribusiness, Inc., Perdue Food Products, Inc., and/or Perdue Business Services, Inc. (excluding Milford union live hall drivers)

I. SUMMARY

Perdue Agribusiness, Inc., Perdue Food Products, Inc., and/or Perdue Business Services, Inc., (the "Company") recognizes the need for income protection in the event of a short term or temporary disability where the injury or illness is not work related. This policy establishes the conditions under which Short-Term Disability (STD) is granted and procedures for approval and documentation that may be requested by the Company or their Claims Administrator, Sedgwick Claims Management Services, Inc., ("Sedgwick CMS") from an associate or a recognized health care provider under this policy. STD is not leave. It provides no employment or position protection. It is a pay substitution benefit. An associate on STD can be terminated for business reasons, job elimination, poor performance or policy violations that occurred prior to STD commencing, the associate ceases communication while on STD, or if no leave covers the inability to work.

II. ELIGIBILITY/WHEN COVERAGE BEGINS

- A. An associate is eligible if he/she is a regular, full time, associate scheduled to work at least 30 hours per week and has completed the applicable waiting and probation period **and** if in a Group 4 classification, has elected STD coverage. This policy excludes Milford union live haul drivers.
- B. Group 2, 3, 4 & Chesapeake union associates – Coverage eligibility begins on the first day of the calendar month following one (1) year of service with the Company.
- C. Group 1 – Coverage eligibility begins on the first day of the calendar month on or after the associate’s first day of work with the Company.
- D. If an associate is not “actively at work” on the day coverage is scheduled to begin, the coverage will begin when the associate qualifies as being actively at work.

III. DEFINITIONS

- A. **Actively At Work**- An associate is defined as “actively at work” if the associate is performing the material and substantial duties of his/her regular occupation at the usual

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work location, an alternate work site or some other location required by the Company on the date coverage is scheduled to begin. An associate is also considered to be actively at work if the date falls on the weekend, holiday or during his/her vacation. If an associate is not actively at work on the scheduled date, coverage begins on the date the associate returns to active work with the Company.

- B. Disability** - “Disability” means an associate will be considered disabled under the STD Plan if, in accordance with the Plan, the Leave Administrator (Sedgwick CMS), determines that as a result of sickness, injury, or pregnancy, the associate is unable to perform the essential functions of his or her position, or another available position or alternative work offered for which he or she is qualified, with or without reasonable accommodation; **and**: the associate is under the appropriate care and treatment as defined by the program; **and** the disability is supported by objective medical evidence provided by a recognized health care provider; **and** the disability began when the associate was an active employee.
- C.** Reduced schedule and intermittent disability is covered under the same criteria/definition as above.
- D. Recognized Health Care Provider**- Is defined to include the following for the purpose of this policy: legally qualified Medical Physician (MD or DO), Oral Surgeon, Nurse Practitioner, Certified Nurse Practitioner, or Physician’s Assistant licensed to practice in the United States and the state in which the associate is examined or treated.
- E.** For the purpose and definition of this policy the following are excluded as recognized health care providers: A Physician who is a member of the associate’s immediate family (spouse, father, mother, son, daughter, brother or sister). Chiropractors, Physical Therapists, Licensed Clinical Social Workers, Podiatrists, Dentists, and any and all others not named above, not considered legally qualified physicians for the purpose of this policy.

IV. REPORTING AN ABSENCE

A. Associate’s Responsibilities

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- 1. Notice of Need for Short Term Disability (STD) Benefit.** Associates should notify Sedgwick CMS as soon as possible and must make verbal notice of the need for STD using a toll free number to access the Sedgwick CMS telephonic claims intake center or by web access. (The AT&T language line will be made available for non English speaking Associates.) These forms of notification will serve as the only sufficient means to make the Company/Sedgwick CMS aware that the Associate needs STD as well as the anticipated start and duration of STD. Calling in "sick", "late" or "absent" on the "HR call in" number is not considered sufficient notice of the need for STD under this policy. Sedgwick CMS may seek to obtain any additional required information to determine if the reason for absence may be covered by the STD policy. Failure of an Associate to respond to Sedgwick CMS inquiries may result in denial or delay of STD benefits. If an Associate has a planned medical event, they are to notify Sedgwick as soon as they are aware of the timing of the event.
- 2. Certification.** An Associate's Family Medical Leave (FML) certification form (Certification of Health Care Provider for Employee's Serious Health Condition) will also serve as initial application for STD benefits if the Associate is eligible and/or has elected STD benefits. The Company/Sedgwick CMS reserves the right to request additional documentation, including medical documentation, to support an Associate's application and continuing eligibility for STD. The Company requires certification for all STD reasons and Sedgwick CMS will issue the appropriate Certification form to the Associate within five business days of when the Associate reports the claim to Sedgwick CMS, and in the case of unforeseen leave, within five business days after the leave commences. This documentation must be returned within 180 days from the first day absent to receive STD payments for Group 4 Associates and 30 days from the first day absent to receive STD payments for Group 1, 2, and 3 Associates. If this documentation is not received within the specified time period, STD payments will be delayed.
- 3. Returning To Work.** The associate should report to the location Company Medical Department before beginning any work assignment after Short Term Disability. In accordance with applicable law, and when job-related and consistent with business necessity, the associate may be evaluated by the Company Medical Department to confirm that the associate can perform the essential functions of his or her job, with

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or without reasonable accommodation. This will be coordinated by the Human Resources department upon notification that the associate will be returning to work.

B. Supervisor/Team Leader Responsibilities

1. When an associate informs the supervisor/team leader that he/she may have a need for STD, the supervisor/team leader should direct the associate to the Sedgwick CMS toll free telephonic intake center or web access or if the supervisor is not aware of the number, direct the associate to Human Resources for assistance.
2. Similarly, if the supervisor/team leader has information that may indicate an associate may have a need for STD or FML leave, the supervisor should either (1) inform the associate that he or she may want to contact Human Resources to inquire about possible STD eligibility or (2) contact Human Resources so that Human Resources can follow up with the associate.

C. Human Resources Responsibilities

1. Communicate and educate as appropriate regarding the Company partnership with Sedgwick CMS for STD administration and direct all associates inquiring about STD regarding their responsibility to make verbal notice of the need for STD using a toll free number to access the Sedgwick CMS telephonic claims intake center or by web access.
2. Communicate the associate’s current and ongoing STD status to appropriate Operations Leadership Team Members throughout the course of the STD from initial onset to return to work.
3. Insure that internal HR systems, PeopleSoft and Kronos (where Workforce Attendance Tracking (WAT) has been implemented) are maintained to reflect current STD activity and that the records are consistent with the STD activity provided by Sedgwick CMS.

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In cases where data is received requiring post dated leave records to be maintained prior to future dated row(s), contact HRMS for assistance.

D. Medical Department Responsibilities

1. If an associate contacts the Medical Department regarding a need for STD, the Medical Department should educate the associate regarding the Company partnership with Sedgwick CMS for STD administration and direct the associate to access the Sedgwick CMS telephonic claims center or by web access.
2. Provide appropriate updates to the Operations leadership team and Human Resources personnel regarding the associates return to work status in accordance with HIPAA and Company Medical Department guidelines, in conjunction with information from Sedgwick CMS.
3. Partner with Sedgwick CMS as appropriate through the disability process.

V. WAITING PERIODS/AMOUNT OF COVERAGE

A. Waiting Period

1. Associates may use any available PTO during the STD waiting period. Associates on Other Medical Leave (OML) Policy 214 or (FML) Policy 215 may use any available PTO while on unpaid leave.

Group 1 – No waiting period
 Group 2 & 3 – Three (3) scheduled workdays
 Group 4 – Seven (7) scheduled workdays

2. The waiting period is considered to be continuous days not intermittent days. Partial days will count as full days for purposes of waiting period. No waiting period will apply if the absence begins within 72 hours after an accidental injury requiring more than ordinary first aid or is due to hospitalization. This includes outpatient surgery.

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B. Amount of Coverage

Group 1

Table with 3 columns: Service, Weeks at 100%, Weeks at 67%. Rows: Less than 5 years, 5 to 9 years, 10 or more years.

Group 2

Table with 3 columns: Service, Weeks at 100%, Weeks at 67%. Rows: 1 to 5 years, 5 to 9 years, 10 or more years.

Group 3

Table with 3 columns: Service, Weeks at 75%, Weeks at 50%. Rows: 1 to 5 years, 5 to 9 years, 10 or more years.

Group 4

Table with 3 columns: Service, Weeks at 60%, Weeks at 50%. Rows: 1 to 5 years, 5 or more years.

Chesapeake Union

Table with 3 columns: Service, Weeks at 60%, Weeks at 70%. Rows: 1 to 9 years, 10 years +.

C. Full Benefit Coverage - is calculated using the base wage amount effective on last day worked prior to the date of disability. Associates will not be eligible for benefit increases due to wage increase while on disability. Base wage does not include overtime or shift

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premium. Hourly, salary, and piece rate values will be received in an hourly amount. Piece rate is a 13 week rolling value, calculated by Perdue.

- D. **Partial and Intermittent Coverage** - is calculated based on the following: (waiting periods apply) In the event that a recognized health care provider certifies that reduced hours are medically appropriate, the Human Resource Manager will confirm availability of reduced hours work. In the event that the associate cannot be accommodated the associate will remain on STD until they can be returned to full duty. In this event the associate will be paid for the hours worked under his/her regular pay and the difference between regularly scheduled hours and hours worked under this STD policy. For example: The benefit will pay 4 hrs STD and Perdue will pay 4 hours regular pay.
- E. **Sample Calculation for Partial Benefits** - If the associate earns \$400 per week at \$10.00 per hour (40 hours scheduled per week) his full disability benefit is 50% (in this particular example) of \$400 or \$200. If the associate worked 3 hrs a day (15 hrs per week) earning \$150 (15 hours * \$10 hourly rate) and 15 hours worked in the week * \$10 earnings per hour = \$150 and if 25 scheduled hours were not worked (40 hours less 15 hours worked); $25 * \$10 * 50\% = \125 partial benefit payment, thus the total payment would be is \$275.
- F. **Restricted Duty** - If an associate is released to work with restrictions by a recognized healthcare provider, the Perdue Medical Department, in conjunction with HR, will determine whether the required restrictions can be accommodated. If so, it is a condition of payment that the associate accept the restricted duty. If the restriction cannot be accommodated, the person will remain on STD, FML, or OML until the associate is returned to full duty.

VI. RELAPSE/SUCCESSIVE PERIODS OF DISABILITY

- A. If an associate returns to work from a disability, and then is absent again for the same or related condition or illness, the associate will only be eligible for the amount of short-term disability benefits remaining from the previous disability period. If the subsequent absence begins in less than two (2) weeks from the date the associate returned to work, no waiting period applies. If the subsequent absence begins fifteen (15) or more days from the date the associate returned to work, the associate must satisfy another waiting

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period. Full short-term disability benefits are reinstated for the same or related injury once the associate has returned to work for at least six (6) months.

- B. Each time an associate is unable to work due to an unrelated injury or illness, full short-term disability benefits are payable. Any continuous absence is considered one period of disability for calculation of the maximum benefits payable.
C. Associates receiving short-term disability benefits, who obtain an additional year of service and therefore would be eligible to move into the next service category, do not qualify for the additional pay of the higher category due to the associate not being Actively at Work. If the Associate were to take another leave of absence for an unrelated injury or illness, they would then qualify under the higher service category.

VII. COVERAGE ENDS

Coverage will end under this plan for the following reasons: If the associate is no longer disabled, becomes a member of an ineligible class, is terminated, files for and receives unemployment compensation, upon the day as of which the certified disability ceases, upon termination of the leave program, upon employment layoff, upon plant shut-down, upon position elimination, upon date of retirement, up to and including date of death, at the end of maximum benefit period, upon associate failure to submit proof of disability, upon date no longer disabled, upon associate failure to comply with treatment plan, when the associate is able to return to work in his/her regular occupation or another occupation per disability definition but chooses not to do so.

VIII. EXCLUSIONS AND LIMITATIONS

- A. If an associate becomes ill while on a paid vacation or holiday, short-term disability will not start until the end of the vacation or holiday period. Benefits are not paid if he/she becomes ill or injured while on a personal leave of absence, a military leave of absence, or when he/she is not actively employed with the company.
B. An associate will exclude him/herself from benefits if he/she is incarcerated in any federal, state or municipal penal institution, jail, medical facility, public or private hospital

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or in any other place because of a criminal conviction of a federal, state or municipal law or ordinance, or if he/she commits a crime and is disabled due to an illness or injury, caused by, or arising out of the commission of, arrest, investigation, prosecution of any crime that results in a felony conviction.

- C. Any associate who willfully makes a false material fact in order to obtain benefits under this Program will be excluded from benefits.
- D. An associate will be excluded from benefits if she/he fails to place him/herself under a recognized health care provider’s care and follow the recommended treatment; Fails to provide information from a recognized health care provider, including objective medical evidence demonstrating disability that is satisfactory to the Claims Administrator (Sedgwick CMS) certifying the associate’s disability, including the nature and frequency of treatment; Fails to have a medical examination by a recognized health care provider designated by the Claims Administrator (Sedgwick CMS) and/or fails to provide any additional information when requested, and fails to contact the Claims Administrator (Sedgwick CMS) and obtain written permission if he/she intends to leave home for more than 3 days during his/her disability.
- E. An associate will be excluded from benefits if the disability results in a loss of professional license, occupational license or certification and if said license or certification is required for the job. If the disability as a result in participating in a riot or demonstration it will exclude the associate from the STD benefit.
- F. Any injury or sickness that is caused by, or connected in any way to, employment of the covered Associate outside of Perdue or any FPP company, including self-employment or employment by others is excluded by this benefit. This applies to Worker’s Compensation or similar law covers that may cover the disability.
- G. Self-reporting symptoms (self-reporting means the manifestations of a condition which the insured tells their doctor that are not verifiable using tests, procedures, or clinical examination standard accepted in the practice of medicine) are excluded from this benefit. Examples of self-reported symptoms include, but are not limited to headache, pain, fatigue, and stiffness, soreness, ringing in ears, dizziness, numbness, and loss of energy.

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H. Disability as a result of cosmetic surgery is excluded from the benefit except surgery made necessary by accidental injury or by a disabling condition which was incurred while the Participant was covered under the Program. Any complications of cosmetic surgery, or medical or surgical procedures not covered by the Medical Plan are excluded from the benefit.

IX. DISABILITY BENEFITS FROM OTHER SOURCES

A. SOCIAL SECURITY

If the disability lasts five months or longer, the associate may also be eligible for Social Security disability benefits. In this case, the short-term disability benefits will be reduced by the amount of any Social Security benefits the associate receives.

B. WORKERS' COMPENSATION

- 1. **SALARIED ASSOCIATES** - If the disability is due to a job-related injury and the associate is receiving Worker's Compensation benefits, the total of both benefits paid will be coordinated so the total amount is equal to no more than the associate's regular bi-weekly salary.
- 2. **HOURLY ASSOCIATES** – If the disability is due to a job-related injury and the associate is receiving Worker's Compensation benefits, the associate is not eligible to receive any STD benefits.

X. RESPONSIBILITY

The Vice President of Human Resources retains the authority and responsibility for this Policy. Questions concerning the meaning or interpretation of this Policy should be referred to the appropriate Director of Human Resources. Any circumstances that require a waiver from the Policy must be coordinated through the Vice President or Director of Human Resources.

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