

PLAN DOCUMENT

**SELF-INSURED VOLUNTARY DISABILITY & PAID FAMILY LEAVE  
BENEFIT PLAN FOR CALIFORNIA EMPLOYEES OF**

**UNIVERSITY OF SOUTHERN CALIFORNIA**

FOR DISABILITY AND FAMILY LEAVES COMMENCING ON OR AFTER JUNE 1, 2009

[A] ADDITION [C] CHANGE [D] DELETION

**I. ELIGIBILITY AND EFFECTIVE DATE OF COVERAGE**

[C] **A. Eligibility**

All California Employees of the Employer including U.S. Citizens employed at an overseas foreign USC facility and physicians employed by USC Care, who work at least one-half of the Employer's standard work week, are eligible for coverage under this Plan. Individuals employed on or after the effective date of the Plan shall become eligible for coverage on the date of their employment.

**B. Effective Date of Coverage**

Individuals employed on or after the effective date of the Plan are covered as of the date of their employment, unless coverage is rejected in writing. Any Employee who initially accepts coverage under this Plan may subsequently elect to withdraw from the Plan within ten (10) days following the effective date of any amendment to the Plan or, for any other reason, on the first (1st) day of the first (1st) Calendar Quarter following the date of such election, by notifying the Employer in writing. Any Employee who has rejected coverage, or who has withdrawn from the Plan and who subsequently elects, in writing, to be covered under the Plan, shall be covered on the first (1st) day of the second (2nd) Calendar Quarter next following the date of notifying the USC Disability Department in writing of such election. The original Plan effective date is January 1, 1974.

**II. CONTRIBUTIONS**

The cost for the Optional STD Coverage is determined in December of each year. The cost of this Plan is paid for by the Employer using a portion of the employee's pre-tax payroll deductions for the optional STD plan from their gross earnings on each paycheck. Because Plan benefits are paid from the employee's pre-tax payroll deductions, the benefits will be fully taxable (FICA, Medicare, FIT, SIT and any other applicable taxes for both State and Federal) to the employee.

**III. DISABILITY BENEFITS**

Effective with respect to periods of Disability commencing on or after January 1, 2009, any Employee covered under this Plan who becomes disabled by any physical or mental illness or injury, so as to prevent him or her from performing his or her regular or customary work, will be paid benefits for the period of such leave as follows, subject to the provisions of the "Exclusions and Limitations" listed in III.F. A condition caused or contributed to by pregnancy or childbirth is treated the same as any other Disability.

**A. Waiting Period**

Disability benefits will commence on the eighth (8th) day of Disability.

**B. Amount of Benefits**

1. Commencing with the first (1<sup>st</sup>) compensable day of Disability, Employees will receive a weekly benefit equal to 70% of his or her Regular Wages subject to a maximum weekly benefit of \$1,221.50 and minimum weekly benefit of \$64.00

**C. Benefits For Less Than One (1) Week**

For each day of any period of Disability for which benefits are paid and which is less than a full week, the amount of benefit payable shall be one-seventh (1/7th) of the amount of the weekly benefit calculated.

**D. Maximum Total Benefit**

The maximum period payable for any one (1) Disability Benefit Period shall be fifty-two (52) weeks of benefits.

**E. Disability Benefit Determination**

A covered Employee may be eligible for Disability benefits if he or she is unable to perform his or her regular customary work because of a physical or mental illness or injury. Any period of Disability must be supported by a certificate from a treating physician which contains a diagnosis and diagnostic code prescribed in the International Classification of Diseases, or, where no diagnosis has yet been obtained, a detailed statement of symptoms. The certificate must also contain a statement of medical facts, including secondary diagnoses when

applicable, within the Physician's knowledge, based on a physical examination and a documented medical history of the Employee by the Physician, indicating his or her conclusion as to the Employee's Disability, and a statement of his or her opinion as to the expected duration of the Disability. However, as to any Employee who is hospitalized in or under the care of any medical facility of the United States government, a certificate as to the Employee's Disability, signed by any duly authorized medical officer of such facility, will be acceptable. With respect to an Employee who is hospitalized in a county hospital, or hospitalized by said county hospital in another hospital, a certificate stating the date that the Physician ordered the confinement of the Employee and the duration of such confinement, signed by the registrar of the hospital shall satisfy the requirement of this part. However, such certificate is not required:

1. If the Employee submits evidence of receipt of temporary disability or permanent disability benefits under a workers' compensation law of any state, for any day for which the Employee is entitled to receive Unemployment Compensation Disability (UCD) benefits reduced by such temporary or permanent workers' compensation benefits.
2. If any Employee in good faith adheres to the teachings of any bona fide church, sect, denomination or organization which depends for healing entirely upon prayer or spiritual means, the certificate of a duly authorized or accredited Practitioner of such bona fide church, sect, denomination or organization as to the Disability of the Employee and the estimated duration of such Disability, will be accepted.
3. If an Employee has been referred or recommended by competent medical authority to participate as a resident of any approved alcoholism recovery home, (an approved alcoholism recovery home is defined as a facility which is licensed by or has satisfied a program review by the state in which the facility is located), and an authorized representative of the facility certifies that the Employee is a resident participating in a state approved alcoholism recovery program, and in the absence of any other disabling condition, benefits while receiving alcoholism recovery treatment, will be paid for a period not to exceed thirty (30) days, and shall be eligible for disability benefits for an additional period not in excess of sixty (60) days if the referring Physician certifies to the need for continuing resident services.
4. If an Employee has been referred or recommended by competent medical authority to participate in an approved drug-free residential facility, (an approved drug-free residential facility is defined as a facility which is licensed by or has satisfied a program review by the state in which the facility is located), and an authorized representative of the facility certifies that the Employee is a resident participating in a state approved drug-free residential program, and in the absence of any other disabling condition, benefits while receiving such drug recovery treatment will be paid for a period not to exceed forty-five (45) days, and the Employee shall be eligible for disability benefits for an additional period not to exceed forty-five (45) days if the referring Physician certifies to the need for continuing resident services.
5. If an Employee has been ordered not to work by written order from a state or local health officer because the Employee is infected with, or suspected of being infected with, a communicable disease.

#### **F. Exclusions and Limitations for Disability Benefits**

1. Disability benefits will be reduced by Workers' Compensation benefits for any day for which the Employee is entitled to receive Unemployment Compensation Disability (UCD) benefits.
2. In the absence of any other disabling condition, benefits while receiving alcoholism recovery treatment, while a full-time resident in an approved recovery home, will be paid for a period not to exceed thirty (30) days, and shall be eligible for Disability benefits for an additional period not in excess of sixty (60) days if the referring Physician certifies to the need for continuing resident services.
3. In the absence of any other disabling condition, benefits while receiving such drug recovery treatment will be paid for a period not to exceed forty-five (45) days and the Employee shall be eligible for Disability benefits for an additional period not to exceed forty-five (45) days if the referring Physician certifies to the need for continuing resident services.
4. Disability benefits are not payable under the following conditions:
  - a. If the Employee is confined, pursuant to commitment, court order, or certification, in an institution, or other place, as a dipsomaniac, drug addict, or sexual psychopath.
  - b. For any period of Disability for which benefits are paid or payable under any unemployment compensation act of the United States or of any state.
  - c. For any day for which the Employee receives Wages from his or her employer (excluding vacation pay), except that such benefits will be paid for any seven-day week or partial week, in an amount not to exceed his or her maximum weekly amount provided by this Plan, which together with the wages received, does not exceed his or her weekly wage, exclusive of wages paid for overtime, immediately prior to the commencement of the Employee's Disability.
  - d. For any day of unemployment and Disability for which the employee receives, or is entitled to receive benefits or cash payments for: a) temporary or permanent disability indemnity, under a workers' compensation or employer liability law of this state, or any other state, or the federal government; or b) a maintenance allowance, except when certain conditions are met. If such cash payments for a) temporary or permanent disability or b) a maintenance allowance combined with permanent disability indemnity, are less than the amount the Employee would otherwise receive as benefits under this Plan, he/she shall be entitled to receive for such day, if otherwise eligible, disability benefits, reduced by the amount of such cash payments.
  - e. If any individual has filed with the California Employment Development Department, and each of his or her employers, a statement declaring the Employee's adherence to the faith or teaching of any bona fide religious sect, denomination, or organization and in accordance with its creed, tenets, or principles, depends for healing upon prayer in the practice of religion, and the Employee's statement disclaims any disability benefits based on Wages paid while such statement is in effect. This limitation is applicable during the period when such exemption is in effect and for a period of three (3) months following rescission exemption certificate.
  - f. No benefits are payable to an individual who is a) incarcerated, in any federal, state, or municipal penal institution, jail, medical facility, public or private hospital, or in any other place because of a criminal conviction of a federal, state, or municipal law or

ordinance or b) who commits a crime and is disabled due to an illness or injury, caused by, or arising out of the commission of, arrest, investigation, or prosecution of any crime that results in a felony conviction.

**G. Elective Deductions From Benefit Payments**

Any elective payroll deductions authorized by Employees (including dependent coverage) will also be withheld from the Plan benefit checks unless the Employee specifically notifies the Disability Office, in Writing, of his or her desire to discontinue any or all of the elective deductions. These deductions will be taken for up to fifty-two (52) weeks.

**IV. PAID FAMILY LEAVE BENEFITS**

Effective with respect to periods for Paid Family Leave commencing on or after January 1, 2009, any Employee covered under this Plan who takes Paid Family Leave to care for another's Serious Health Condition or to bond with a Child, will be paid benefits for the period of such leave as follows, subject to the provisions of the "Exclusions and Limitations" listed in Section IV.F.

**A. Waiting Period**

Paid Family Leave benefits will commence on the eighth (8th) day of leave.

**B. Amount of Benefits**

The amount of weekly Paid Family Leave benefit for which an Employee is covered under the Plan shall be equal to the State Disability Plan Level of Benefits (as defined herein).

The State Disability Plan Level of Benefits used for purposes of determining the benefit amount will be established at the commencement of the Paid Family Leave claim. The exception to this is for a claim for bonding by the natural mother, who has received benefits under this Plan for the pregnancy claim associated with the birth of the same Child. The Paid Family Leave benefit payable to the mother under this Plan will be equal to the State Disability Plan Level of Benefits that was established for the pregnancy disability claim.

**C. Benefits for Less Than One (1) Week**

For each day of any period of Paid Family Leave for which benefits are paid and which is less than a full week, the amount of benefit payable shall be one-seventh (1/7th) of the amount of the weekly benefit. Employees shall receive their benefit on a bi-weekly basis.

**D. Paid Family Leave Determination**

A covered Employee may be eligible for Paid Family Leave benefits if he or she is unable to perform his or her regular or customary work because he or she is providing care to a seriously ill Family Member or bonding with a new minor Child. Paid Family Leave for bonding claims is limited to the first year after the birth, adoption, or foster care placement of the Child.

The Serious Health Condition of the Family Member that warrants the care of the Employee must be established by a certificate from a Physician or Practitioner or from an inpatient care facility in accordance with the California unemployment insurance Code Section 2706.2. The information provided must be within the Physician's or Practitioner's knowledge and shall be based on a physical examination and documented medical history of the Family Member.

The supporting documentation that provides satisfactory evidence of the birth, adoption, or foster care placement of the Child and that verifies the relationship of the claimant to the Child, must be provided in accordance with Section 2708(c) -1 of the California Unemployment Insurance Code.

**E. Exclusions and Limitations for Paid Family Leave**

Paid Family Leave benefits are not payable under the following conditions:

1. For any period for which the Employee is eligible for unemployment insurance in California or any other state or the federal government.
2. For any days for which the Employee receives Wages. However, Wages plus benefits may be paid in an amount, which does not exceed the Employee's regular weekly wage, exclusive of overtime, immediately prior to the commencement of the Family Care Leave. Wages includes paid time off (or any non-specific leave provided by the Employer) if it is used for purposes of Family Care Leave.
3. For any period for which benefits are payable under a workers' compensation or employer liability law of California or any other state, or for the federal government, for temporary disability in an amount equal to or in excess of the Paid Family Leave weekly benefit amount for this Plan. Note: Paid Family Leave benefits are payable for any difference between the Paid Family Leave weekly benefit amount and the temporary disability weekly benefit amount.
4. An Employee may supplement a vocational rehabilitation maintenance allowance with permanent disability advances to receive benefits equal to his or her temporary disability amount. In such cases, Paid Family Leave benefits are payable for any difference between the combined total workers' compensation benefit and the Paid Family Leave weekly benefit amount.
5. An Employee who chooses not to draw available permanent disability advances to supplement vocational rehabilitation maintenance allowance up to the temporary disability rate is not eligible for Paid Family Leave benefits.
6. If permanent disability advances are not available, Paid Family Leave benefits may be paid for the difference between the maintenance allowance and the Paid Family Leave weekly benefit amount. Note: Permanent disability advances alone (i.e., not paid as a supplement to a maintenance allowance) are not in conflict with Paid Family Leave benefits.

7. For any period for which benefits are payable under a disability insurance act of California or any other state, or any company plan established in lieu of a state plan.
8. For the same period of time in a day for which another Family Member is ready, willing, able, and available to provide the required care.
9. For any day for which Employee receives vacation pay, as the Employer requires the Employee to take up to two weeks of earned but unused vacation leave prior to the initial receipt of benefits. The portion of the vacation leave that does not exceed one week shall be applied to the waiting period.

## V. SIMULTANEOUS COVERAGE

### A. Simultaneous Coverage for Disability Claims

In case of any period of Disability for which an Employee entitled to benefits hereunder is simultaneously covered by one or more other plans (including Voluntary Plans and the State Disability Plan) and accordingly is entitled to other Unemployment Compensation Disability (UCD) benefits on account of the same Disability or Paid Family Leave, the amount payable under this Plan for such period shall be

1. The amount, if any, by which the basic benefits to which the Employee otherwise would have been entitled under this Plan exceeds the benefits to which he or she would have been entitled under the California Unemployment Insurance Code if the Employee were not covered by any Voluntary Plan; plus
2. The quotient of the amount of basic benefits to which the Employee would have been entitled under the California Unemployment Insurance Code if he or she were not covered by any Voluntary Plan, divided by the number of plans (including Voluntary Plans and the State Disability Plan), under which the Employee is simultaneously entitled to benefits.

### B. Simultaneous Coverage for Paid Family Leave Claims

Simultaneous coverage exists when a claimant is covered by and eligible from one or more plans (including Voluntary Plan and the State Disability Plan) at the time he or she establishes a Care Recipient Period. The plan(s) under which the Care Recipient Period is established in Paid Family Leave remain liable for all claims associated with the same Care Recipient through the end of the 12-month period, regardless of any change in employment. Liability for Paid Family Leave or Voluntary Paid Family Leave benefits remain with the plan(s) that covered the claimant when the Care Recipient Period was established.

Under simultaneous coverage, each Voluntary Plan is counted as one plan. State Disability Insurance is counted as one plan, even if the Employee works for more than one State Disability Insurance covered employer. The plans equally divide the State Disability Insurance weekly and maximum benefit rates. Additionally, each Voluntary Plan pays the difference, if any, between the full State Disability Insurance rate and the amount of benefit entitlement under that Voluntary Plan.

## VI. TERMINATION OF INDIVIDUAL EMPLOYEE COVERAGE

An Employee's coverage will terminate:

- A. At midnight of the date of termination of employment by Termination of the Employer-Employee Relationship, or at midnight of the fifteenth (15th) day following the commencement of a layoff without pay (a permanent termination of the employment relationship is not a layoff for purposes of this provision regardless of the term used to designate it).
- B. At midnight of the fifteenth (15th) day following the commencement of a leave of absence without pay except that in the case of a leave of absence without pay that is designated a Special Leave of Absence by the Employer, termination will be at midnight of the last day of the sixth (6th) month period following the commencement of such leave. (A Special Leave of Absence includes Employee's participating in the Employer's Furlough Program.)
- C. On the date the Employee ceases to be an eligible Employee.
- D. As of the beginning of the next Calendar Quarter following the date the Employee has given written notice of his or her intention to withdraw from the Plan.
- E. On the date of termination of the Plan.

## VII. COMPLIANCE

The Employer hereby guarantees that each Employee covered by this Plan will in all respects be afforded rights at least equal to those afforded by the State Disability Plan and will receive a weekly rate and maximum amount and duration of benefits at least equal to those which the Employee would have received from the State Disability Plan but for coverage by this Plan. Except as otherwise provided, this Plan will be administered in conformity with all applicable rules and regulations governing the State Disability Plan. If an invalid State Disability Plan award is received due to insufficient qualifying earnings, the Employee may be entitled to further benefit considerations under the benefit rights of the long-term unemployed.

If during the Base Period the Employee was in military service, received workers' compensation benefits, or did not work due to a trade dispute, the Employer may be able to substitute Wages paid in prior Calendar Quarters to establish or increase the Employee's benefit amount. The Employee may contact the Claims Administrator or the State Disability Insurance field office in his or her local area for further information.

## VIII. CLAIMS

To claim benefits under this Plan for Disability or Paid Family Leave, Employees can file their claim online at [www.sedgwickcms.com/calabasas](http://www.sedgwickcms.com/calabasas) or call the Claims Administrator at (800) 495-2315. Except for good cause, a claim must be filed within sixty (60) days from the first (1<sup>st</sup>) compensable day of unemployment and disability.

An individual eligible to receive benefits under this plan may choose to redirect a portion of his or her weekly benefit to cover all or part of the cost of Employee paid benefits. In order to allow the Employer to redirect a portion of the Voluntary Plan benefit, the Employee must give permission, in writing, for the weekly amounts to be redirected for payment of the Employee paid benefits. This redirection may be initiated at the time the

Employee applies for Voluntary Plan benefits or at any time while receiving Voluntary Plan benefits. The Employee may terminate or change the terms of the voluntary plan redirection of benefits at any time while receiving benefits under this Voluntary Plan.

In the event that the calculation of a benefit under the Voluntary Plan results in an overpayment to the Employee for any reason, the Employee shall be required to repay such overpayment to the Employer only to the extent permitted under the California Unemployment Insurance Code and the California Code of Regulations. The Employer will make reasonable arrangements with the Employee or his or her legal representative for the repayment to the Plan of such overpayment, including, but not limited to, the reduction of future benefits under the Plan or the reduction of future pay from the Company as allowed under the California Unemployment Insurance Code and the California Code of Regulations.

Under the provisions of the California Unemployment Insurance Code, the Employer or its authorized Claims Administrator shall have the right to (A) require supplemental forms from the Physician or those authorized to certify disabilities as often as deemed necessary, and (B) examine any Employee claiming benefits under this Plan. Continued medical certification, signed by a certified Physician or Practitioner, must be submitted within twenty (20) days of the date the Employee is issued a notice of final payment or the Employee receives a request for additional medical certification, whichever is later. Additional medical certification may be requested when and as often as may be reasonably required during the period payments may be due under this Plan.

An Employee covered under a Voluntary Plan may appeal the denial of a disability claim to the California Employment Development Department. Disability appeals may be made in person or in writing at any office of the Employment Development Department within twenty (20) days from the date the notice of denial was mailed. Written appeals must be signed and shall include the Employee's name and Social Security number, as well as the name of the Employer and the reason for filing the appeal. An Employee covered under a Voluntary Plan must send their written appeal of a denied Paid Family Leave claim to: Paid Family Leave, PO Box 997017, Sacramento, CA 95799-7017 within twenty (20) days from the date the notice of denial was mailed. As provided in the California Code of Regulations, an Employee may elect to continue to receive disability or Paid Family Leave benefits pending the outcome of a timely appeal to an administrative law judge when the voluntary plan had determined the Employee initially eligible and subsequently found the Employee to be ineligible.

## IX. DEFINITIONS

- A. **Base Period**, as used herein, is defined as follows: The "Base Period" is the 12 months which ended the preceding:  
If the claim begins in:.....  
January, February, or March ..... September 30  
April, May, or June ..... December 31  
July, August, or September ..... March 31  
October, November, or December ..... June 30
- B. **Calendar Quarter**, as used herein, means a period of three (3) consecutive months commencing with the first (1<sup>st</sup>) day of January, April, July or October.
- C. **Care Provider**, as used herein, means the Family Member who is providing the required care or bonding.
- D. **Care Recipient**, as used herein, means either the Family Member who is receiving care for a Serious Health Condition, or the Child with whom the claimant is bonding.
- E. **Care Recipient Period**, as used herein, means all periods of Family Care Leave that an employee takes within a 12-month period to care for the same Care Recipient.
- F. **Child**, as used herein, means a biological, adopted, or foster son or daughter, a stepson, a stepdaughter, a legal ward, a son or daughter of a Domestic Partner, or the person to whom the Employee stands in loco parentis. This definition of a Child is applicable regardless of age or dependency status.
- G. **Claims Administrator**, as used herein, is Sedgwick CMS, an independent claims administrator. Claims are processed in their office location at P.O. Box 9830, Calabasas, CA 91372-0830.
- H. **Disability**, as used herein, means a physical or mental illness or injury that renders an employee unable to perform his or her regular or customary work. Disability refers to claims for unemployment disability compensation for an employee's own illness or injury. Disability always refers to non-Paid Family Leave claims.
- I. **Disability Benefit Period**, as used herein, means the continuous period of unemployment and disability beginning with the first (1<sup>st</sup>) day with respect to which the individual files a valid claim for benefits. Two (2) consecutive periods of disability due to the same or related cause or condition and separated by a period of not more than fourteen (14) days shall be considered as one (1) Disability Benefit Period.
- J. **Domestic Partner**, as used herein, has the same meaning as defined in Section 297 of the California Family Code.
- K. **Employee**, as used herein, shall mean any individual whose service with the Employer is considered employment within the meaning of the California Unemployment Insurance Code.
- L. **Employer**, as used herein, refers to University of Southern California.
- M. **Family Care Leave**, as used herein, means either of the following:
1. Leave to bond with a new minor Child within the first year of the Child's birth or placement in connection with foster care or adoption.
  2. Leave to care for a Child, Parent, Spouse, or Domestic Partner.
- N. **Family Member**, as used herein, means Child, Parent, Spouse, or Domestic Partner.
- O. **Paid Family Leave or PFL**, as used herein, means the program that provides up to six (6) weeks of wage replacement to workers who take time off to care for a seriously ill Child, Spouse, Parent, registered Domestic Partner, or to bond with a new Child. Voluntary Plan Family Leave or VPFL means Paid Family Leave benefits paid by the Voluntary Plan.
- P. **Paid Family Leave Benefit Period**, as used herein, means a period of unemployment beginning with the first day an Employee establishes a valid claim for Paid Family Leave to care for a seriously ill Family Member, or to bond with a new minor Child during the first year after the birth or placement of the Child in connection with foster care or adoption. Periods of Family Care Leave for the same Care Recipient within a 12-month period will be considered one Disability Benefit Period. Periods of Disability for pregnancy and periods of Family Care Leave for bonding associated with the birth of that Child will be considered one Disability Benefit Period. 12-month period is the 365 consecutive days that begin with the first day an Employee first establishes a valid claim for Paid Family Leave.

- Q. **Parent**, as used herein, means a biological, foster, or adoptive parent, a stepparent, a legal guardian, or other person who stood in loco parentis to the Employee when the Employee was a Child. This term does not include a parent-in-law.
- R. **Physician**, as used herein, means physicians and surgeons holding an M.D. or D.O. degree, psychologists, optometrists, dentists, podiatrists, and chiropractic practitioners licensed by California state law and within the scope of their practice as defined by California state law. Psychologist means a licensed psychologist with a doctoral degree in psychology, or a doctoral degree deemed equivalent for licensure by the Board of Psychology pursuant to Section 2914 of the Business and Professions Code, and who either has at least two years of clinical experience in a recognized health setting or has met the standards of the National Register of the Health Service Providers in Psychology.
- S. **Plan**, as used herein, means a Voluntary Plan established by the Employer pursuant to Part 2 of the California Unemployment Insurance Code relating to Unemployment Compensation Disability Benefits.
- T. **Practitioner**, as used herein means a person duly licensed or certified in California acting within the scope of his or her license or certification who is a dentist, podiatrist, or as to normal pregnancy or childbirth, a midwife, or nurse Practitioner.
- U. **Serious Health Condition**, as used herein, means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential health care facility, or continuing treatment or supervision by a health care provider, as defined in Section 12945.2 of the California Government Code.
- V. **Spouse**, as used herein, means a partner to a lawful marriage.
- W. **State Disability Plan Level of Benefits**, as referred to herein, is the amount of benefits as determined by the Employment Development Department (EDD). The EDD uses the highest quarter of earnings within the Base Period (as defined herein), divided by 13 and multiplied by .55 to determine the average weekly benefit. The benefit is subject to a weekly maximum, which is established by the EDD.
- X. **State Plan**, as used herein, means the benefits payable from the State Disability Fund pursuant to Part 2 of Division 1 of the California Unemployment Insurance Code (CUIC).
- Y. **Termination of the Employer-Employee Relationship**, as used herein, means that employment ceases with no mutual expectation or intention to continue the employment relationship. Reasons for termination of the employer-employee relationship include, but are not limited to, separation, dismissal, resignation, and retirement.
- Z. **Voluntary Plan**, as used herein, means a Voluntary Plan established pursuant to Part 2 of the California Unemployment Insurance Code (CUIC).
- AA. **Voluntary Plan Family Leave or VPFL**, as used herein, means Paid Family Leave benefits paid by the Voluntary Plan.
- BB. **Wages or Regular Wages**, as used herein, for the purposes of benefit determination shall mean the basic rate of pay paid to the Employee by the university (excluding overtime, shift differential pay, bonuses, commissions, etc.) but including wages paid by USC Care during the last pay period immediately prior to the date of disability.

## X. OTHER REQUIREMENTS

- A. Security, as required by the Employment Development Department, will be deposited to secure the operation of the Plan. The amount of the deposit shall be determined by the Employment Development Department and shall be deposited with the State Treasurer for the purpose herein specified.
- B. The Employer agrees to furnish to the Employment Development Department the information, reports, and records as are required for the proper administration of the Plan.
- C. The Employer agrees to pay all valid assessments or charges levied by the Employment Development Department in accordance with the California Unemployment Insurance Code. All State assessments and administrative expenses may be paid for directly from the Voluntary Plan Fund established for this Plan.
- D. The Plan shall continue in effect for a period of one (1) year from the effective date and continuously thereafter unless thirty (30) days advance written notice is given to the State of the termination of the Plan. Termination shall be effective only on the anniversary of the effective date of the Plan next following the filing of the notice; except that the Plan may be terminated on the operative date of any law increasing the benefit amounts provided by Sections 2653 and 2655 or the operative date of any change in the rate of worker contribution as determined by Section 984, if notice of the termination of the Plan is transmitted to the Director of Employment Development not less than thirty (30) days prior to the operative date of such law or change. If the Plan is not terminated on such thirty (30) day notice because of the enactment of a law increasing benefits or because of a change in the rate of worker contributions as determined by Section 984, the Plan shall be amended to conform to such increase or change on the operative date of the increase or change.
- E. To the fullest extent provided by law, Employer reserves the right to amend or terminate the plan.

**To:** All California Employees of University of Southern California

**From:** Nancy Pelissier  
Manager, Workers' Compensation

**Date:** May 18, 2009

**Subject:** California Voluntary Disability Plan Amendments  
Effective June 1, 009

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The enclosed amendment sheet details the change made to our California Voluntary Plan Document which will be effective June 1, 2009

In accordance with the California Unemployment Insurance Code, employees who are participating in the Company's California Voluntary Disability Plan have the right to discontinue their coverage under this Plan by notifying the Company, in writing, of their decision within ten (10) days following the effective date of any amendment to the Plan.

If you have any additional questions or would like more details regarding our Voluntary Plan amendments, please do not hesitate to contact me.

# UNIVERSITY OF SOUTHERN CALIFORNIA

## California Voluntary Disability Plan Amendment Sheet

Effective June 1, 2009

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The following is a summary of changes made to the University of Southern California Voluntary Disability Plan Document, effective June 1, 2009:

1. Article I, Section a, Eligibility was amended as follows:

*All California Employees of the Employer including U.S. Citizens employed at an overseas foreign USC facility and physicians employed by USC Care, who work at least one-half of the Employer's standard work week, are eligible for coverage under this Plan. Individuals employed on or after the effective date of the Plan shall become eligible for coverage on the date of their employment.*