Subject: **Salary Continuation Policy**

Implemented: ***Date***_____

Reviewed: ***Insert dates policy is reviewed by board***

Revised: ***Enter Dates policy is revised…***

Policy Number:_____(***if you number your internal policies use this space to do that***)

I.   STATEMENT OF POLICY

Salary Continuation is provided, to benefit eligible employees, to help protect and replace a portion of the individual's income in the event that an employee suffers an extended absence from work due to major illness or injury, sickness or pregnancy. Salary Continuation benefits are designed to protect income for a specific period of time. If the disability continues past this specific period of time, as defined in the company policies, you may be eligible for continued benefits under the Fully Insured long-term disability plan. See the LTD policy certificate for benefits provided under that coverage.

II.   PRACTICE/PROCEDURE

    A.   Eligibility:

        1.   All regular employees working _____ or more hours per week are eligible for coverage for themselves. Temporary or part-time employees and retirees are not eligible. Employees may not enroll dependents in the <u>Company name</u> salary continuation plan.

        2.   Funding for the program is through the: (Ex:*regular payroll process)*_____.

        3.   Eligibility under this program commences on the _____day after the first day of employment provided the employee is actively at work.

        4.   Benefits, under this program, may be received for a total of up to 90 days. Eligible employees may receive up to ___% of salary with up to a $_____ weekly maximum benefit. This benefit will be offset by any State Disability Benefit received or eligible to receive. Reimbursement for income loss due to partial work days is included under this policy.

        5.   The employee will be required to complete and submit all necessary forms before they can receive a determination on eligibility for Salary Continuation benefits under this program.

        6.   Before Salary Continuation benefits can be applied for, an employee must use _____ (__) days of Basic Leave from their Consolidated Leave bank. If sufficient basic leave is not available, the time must be taken without pay. Benefits, once approved, begin on the _____ (__) working day after a qualifying event as defined by the LTD insurance contract. For Day ___ – Day 90, employees will be reimbursed at _____% of their lost salary. This is paid by <u>Company name</u> through normal payroll procedures. After ninety (90) consecutive days on disability, 60% of the monthly salary may be paid directly by the fully-insured LTD insurance Plan. Retirement Savings Plan contributions will only be made on <u>Company name</u> payments.

        7.   If a holiday occurs while an individual is on salary continuation, the individual is paid for the holiday at the same rate currently being paid for salary continuation.

(Salary Continuation Policy - continued)

      B.   Maintenance of Policy:

            1.   The Elder Board evaluates, procures and ensures the maintenance of this salary continuation policy for _Company name_ employees.

            2.   The Human Resources Manager schedules orientations; obtains and distributes the carrier's coverage description books, claim forms and other materials to employees; and completes other duties related to plan administration.

      C.   Current Carrier:

            Effective _____, the carrier for the _Company Name_ Fully Insured LTD policy is UNUM.

      D.   Carrier's Policies:

            Each employee receives a plan certificate book describing the provisions for the LTD coverage, as well as the limitations of the plan. For complete details regarding the fully insured long-term disability insurance, consult your long-term disability summary plan description document.

      E.   Termination:

            Coverage under the _Company name_ Salary Continuation Plan and Fully Insured Long Term Disability plans normally terminate on the last date of active employment with _company name_. If, however, the employee is receiving disability benefits at the time of termination, benefits continue in accordance with the plan contract, and federal and state laws.

APPROVED: DATE:

_____

Title of Officer

_____

Printed Name of Person Signing this document