

Appendix B: Short-Term Disability Plan

Plan Provision	Pilot STD
Funding	Non-contributory (company paid)
Eligible Class	All Active Full-Time Pilots
Effective Date of Coverage	1 st of the month following the completion of Eligibility Waiting Period (provided Pilot is actively at work on the Effective Date of Coverage)
Eligibility Waiting Period	90 days of Active Service
Benefit Commencement	Accident - on the 6 th day of disability Sickness - on the 6 th day of disability
Benefit Percentage	66.67% of Pre-Disability Base Weekly Income not to exceed the Maximum Weekly Benefit, reduced by Other Income Benefits
Maximum Weekly Benefit	\$1,846 reduced by Other Income Benefits
Minimum Weekly Benefit	\$15
Maximum Benefit Duration	Up to 180 days of a disability
Definition of Disability	A change in the employee's functional capacity to work as a result of a medical condition ¹ , (for which the employee is under the on-going care of a Physician) which began while covered under the Plan, and: <ul style="list-style-type: none"> ■ Prevents the employee from performing the essential functions of their Own occupation; or, ■ The employee is deemed by the FAA to be physically or mentally unfit to fly commercial aircraft as a Pilot; and, ■ Unable to earn more than 80% of Pre-Disability Base Weekly Income
Pre-Disability Base Weekly Income	Base hourly rate on the date before the Disability commenced x 82.5 x 12 ÷ 52. (Pre-Disability Base Daily Income is 1/7 th of Pre-Disability Base Weekly Income)

¹ Accidental injury, sickness, mental illness, substance abuse, or pregnancy related condition.

Short-Term Disability Plan (continued)

Plan Provision	Pilot STD
Rehabilitation Employment Benefit	The employee's benefit increases by 10% for the 1 st six months while the employee participates in a rehabilitation program and is still Disabled (not to exceed 100% of Pre-Disability Base Weekly Income)
Other Income Benefits	<p>Disability benefits will be reduced by Other Income Benefits including:</p> <ul style="list-style-type: none"> ■ Disability or Retirement Benefits under: <ul style="list-style-type: none"> – Social Security Act – Jones Act – Railroad Retirement Act – Quebec Pension Plan – Canada Pension Plan – Any other federal or provincial government plan ■ Benefits for loss of income for disability or unemployment under any law or compulsory program. ■ Benefits under any group plan or arrangement of disability coverage, whether insured or not, resulting from employment or by association with an employer, group, union or other organization.² ■ Benefits related to the Disability from an auto liability policy, except no-fault motor vehicle insurance. ■ Benefits provided under any group life or accident insurance policy. ■ Benefits under an individual disability insurance policy where the premium is wholly or partially paid for by an employer, or for which the employer provides payroll deduction. ■ Payments made by any formal or informal salary continuance plan, but not including vacation pay. ■ Lump sum judgments or settlements received representing or compensating for loss of income for the Disability. ■ Retirement benefits under an employer's Retirement Plan to the extent that such benefits are attributable to employer contributions. However, if the employee receives the benefits prior to becoming Disabled and retains any such retirement payments received subsequent to the Disability in a plan qualified by the IRS for the funding of future retirement, the Plan will not count them as Other Income Benefits. ■ Benefits from a lump sum or settlement received for a period of disability resulting from the act or omission of a third party for the Disability for loss of income. ■ OJI supplemental payments from the employer. ■ One-half of work earnings.

² ALPA loss of license coverage is not Other Income Benefits.

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Plan Provision	Pilot STD
<p>Payments cease on the earliest of:</p>	<ul style="list-style-type: none"> ■ The date the employee no longer satisfies the Definition of Disability. ■ The date the employee is earning more than 80% of Pre-Disability Base Weekly Income. ■ The date the employee becomes deceased. ■ The date the employee fails to provide written proof that is satisfactory in nature. ■ The date the employee refuses to be under the regular and appropriate care of a physician or refuses to undergo an examination or testing of a physician or vocation or rehabilitation testing. ■ The date the employee refuses medical treatment (excluding invasive surgery for which other treatment alternatives are available) that is generally accepted to improve or cure the medical condition for which the claim is made. ■ The date the employee has received the Maximum Duration of Benefits. ■ The date the employee ceases or refuses to participate in a Rehabilitative Program. ■ The date the employee fails to seek restoration of a required license to work or fail to do anything else reasonable requested to facilitate the return to work.
<p>Exclusions</p>	<ul style="list-style-type: none"> ■ Disability not being treated by a Physician or surgeon. ■ Caused or contributed by war or act of war (declared or not). ■ Sustained while engaged in an illegal occupation, in the act of committing or attempting to commit a felony. ■ Intentional self-inflicted injury. ■ An occupational disease or injury for which Worker’s Compensation benefits are paid or may be paid sustained while working for another employer for pay or profit of that employer. ■ Elective cosmetic surgery procedures.

Short-Term Disability Plan

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Pre-Existing Condition	<p>STD benefits will not be payable if your Disability is the result of a Pre-Existing Condition and the Disability occurs during the first 12 months of coverage. However, if you are at work for at least one day after the first 12 months of coverage and you subsequently become disabled under the provisions of this Plan, you will then be eligible for benefits for this condition.</p> <p>Pre-Existing Condition means:</p> <ul style="list-style-type: none"> ■ Any accidental bodily injury, sickness, mental illness, pregnancy related condition, episode of substance abuse; or, ■ Any manifestations, symptoms, findings or aggravations related to or resulting from such accidental bodily injury, sickness, mental illness, pregnancy related condition or episode of substance abuse; <p>For which you received medical care (or if a pregnancy was confirmed) during the 90-day period that ends the day before:</p> <ul style="list-style-type: none"> ■ Your Effective Date of Coverage; or, ■ The effective date of change in coverage
Benefit Overpayment	<p>If for any reason, STD benefits are overpaid, the overpayment will be recovered by one of the following methods:</p> <ul style="list-style-type: none"> ■ Notification by the Claims Administrator of the amount and description of the overpayment and the address to which repayment should be sent within 60 days of the notice of overpayment. <p>If repayment is not completed within the 60-day period, the Claims Administrator will reduce future benefit payments until the overpayment is repaid in full.</p>
Recurrent Disability	<p>Following return to work for more than 30 days, any recurrence of a Disability will be treated as a new Disability with respect to Pre-Disability Base Weekly Income, Benefit Commencement and the Maximum Duration of Benefits. If recurrent periods of Disability due to the same or related condition are separated by 30 days or less of work as an employee, then the recurrent periods of disability will be considered the same period of Disability, except that no STD benefits will be payable for the period of temporary recovery and the period of temporary recovery will not count towards the Maximum Benefit Period.</p>
Effect of a New Disability	<p>If a period of Disability is extended by a new cause while STD Benefits are payable, STD Benefits will continue while the employee remains Disabled, providing STD benefits do not continue beyond the end of the original Maximum Benefit Period. All provisions of the Plan including Exclusions and Limitations apply to the new cause of Disability.</p>