

STANFORD
UNIVERSITY



**VOLUNTARY PLAN FOR STATE DISABILITY AND
FAMILY TEMPORARY DISABILITY BENEFITS
FOR CALIFORNIA EMPLOYEES – STATEMENT OF
COVERAGE**

Effective with respect to benefit periods
commencing on or after January 1, 2008

Claims administered by:
Liberty Life Assurance Company of Boston

ELIGIBILITY & EFFECTIVE DATE OF COVERAGE

All California employees are eligible for coverage under the Plan. If you were employed by Stanford University prior to the effective date of the Plan, you are eligible on the effective date of the Plan, January 1, 1978. If you were employed on or after the effective date of the Plan, you are eligible for coverage on the date you became an employee.

If you reject coverage or withdraw from the Plan, you will be automatically enrolled in the State Disability Plan. If, at a later date, you wish to participate in the Voluntary Plan, you must request coverage in writing. Your coverage will then be effective on the first day of the next Calendar Quarter following your written request.

DISABILITY BENEFITS

Disability: You are considered disabled if: (1) you are unable to perform your regular or customary work due to any physical or mental illness or injury, including pregnancy, childbirth, or related medical condition, (2) you have been ordered in writing not to work by a state or local health officer because you are infected with or suspected of being infected with a communicable disease, or (3) you are participating as a resident in an alcoholic recovery program or drug-free residential facility program, as the result of referral by a Physician.

Amount of Benefit: If you are eligible for benefits, disability benefits are paid weekly, subject to limitations, at the rate of 66 2/3% of Basic Pay. The minimum benefit is \$50 per week; the maximum benefit is \$917 per week. The amount of benefit payable for each day you are disabled is one-seventh of your weekly benefit.

Maximum Benefit: The maximum benefit payable for one Disability Benefit Period is 52 times your weekly benefit.

Redirection of Benefit: You can redirect a portion of your disability benefit to cover other employee benefits sponsored by Stanford. This redirection must be requested in writing on a form obtained from your Benefits Office.

Waiting Period: Benefits begin on the earliest of the eighth consecutive day of Disability, or on the first day of Hospitalization, or treatment in a hospital Surgical Unit or a Surgical Clinic, provided you are disabled for a period of at least (8) days during the Disability Benefit Period as a result of such treatment. If you are disabled for more than 14 days during any one Disability Benefit Period, the waiting period, if any, will be waived.

COST TO EMPLOYEE

For the year 2008, the Employment Development Department has announced that the SDI rate will be 0.80% of the first \$86,698 of earnings. The Voluntary Plan will charge 0.80% for 2008. You will not be required to contribute to the Plan while on an approved Family or Medical Leave.

LIMITATIONS

No benefits are payable for any Disability which is not supported by a certificate from a Physician stating a diagnosis, the medical facts within his or her knowledge, a conclusion with respect to the Disability and his opinion with respect to the probable duration of the Disability. Physicians are required to submit an ICD diagnostic code or a detailed description of symptoms. The Physician's Certificate must be based on a physical examination.

If you have been referred or recommended by a competent medical authority to participate as a resident in an alcoholism recovery program or drug-free residential program, you need not show actual Disability.

Certification of Disability also may be accepted from any duly authorized medical official of a medical facility of the United States Government; the registrar of a county hospital in this State, the duly authorized or accredited practitioner of any bona fide church, sect, denomination, or organization which depends for healing entirely upon prayer and spiritual means.

Certification is not required if you submit evidence of receipt of temporary disability benefits under a Workers' Compensation law for any day for which you are entitled to receive Disability benefits reduced by such temporary Workers' Compensation benefits.

No benefits will be paid to you if (1) you are receiving unemployment insurance benefits (2) you are receiving wages from the employer, except that benefits will be paid for any week or partial week not to exceed the weekly benefit amount, which when added to the wage does not exceed your regular weekly wage prior to the beginning of the Disability (3) you are confined by court order or certification as a dipsomaniac, drug addict, or sexual psychopath (4) you have knowingly made a false statement or representation in order to obtain any benefits under this Plan (5) you are incarcerated because of a criminal conviction or if you commit a crime and become disabled due to an illness or injury in any way caused by the commission of, arrest, investigation, or prosecution of any crime that results in a felony conviction or (6) you are receiving or are entitled to receive temporary disability, vocational rehabilitation maintenance allowance, or permanent disability benefits under a Workers' Compensation law. However, if such benefits were less than the amount you would otherwise receive as benefits under this Plan you will be entitled to receive Disability benefits reduced by the amount of such Workers' Compensation payments.

Benefits will be limited to the State Plan Rate (weekly amount and maximum duration): (1) for any disability occurring during the first three months of employment, (2) for any disability arising during the extended coverage period following the commencement of a layoff without pay or a leave of absence without pay, (3) any intentionally self-inflicted injury whether sane or insane, (4) any illness or injury caused by participation in a violent disorder, assault, felony or an illegal occupation, (5) any illness or injury due to war or any act of war, declared or undeclared, insurrection, rebellion or participation in a riot, (6) any condition for which the Employee received medical

consultation, attention, advice or treatment (including taking prescribed drugs or medications) in the three (3) month period immediately prior to the date of his/her employment by the University; provided, however, that this subsection shall cease to apply on the earlier of; the end of a period of one (1) year during which the Employee received no medical consultation, attention, advice or treatment (including taking prescribed drugs or medications) for such condition, or (a) the end of a period of two (2) consecutive years of employment with the University.

Benefits in excess of the State Plan shall be reduced by "Other Income Benefits" as defined in Section 1 of the Definitions section of the Plan.

Benefits in excess of the State Plan shall terminate upon occurrence of either of the following: (a) the date upon which an Employee attains age 70, or (b) the date upon which an Employee rejects or refuses to follow the treatment plan recommended by his/her Physician.

SIMULTANEOUS COVERAGE

If you work for more than one employer, you may be entitled to a prorated benefit from each employer's disability plan. The amount payable from each plan depends on the number of plans involved. Each plan will pay an equal portion of the State Plan benefit. If your employer has a Voluntary Disability Plan, additional benefits may be payable.

TERMINATION OF COVERAGE

Your coverage will terminate at midnight on the day your employment with Stanford University terminates or at midnight on the 15th day following a leave of absence without pay, or a layoff without pay (excluding employees on a Family or Medical Leave). Coverage will also terminate on the day you cease to be an eligible Employee, or at the beginning of the next Calendar Quarter following your written notice of withdrawal from the Plan. Your coverage will also end if the Voluntary Plan is terminated.

COMPLIANCE

As a participant, you are guaranteed rights at least equal to those given by the State Plan and that you will receive a weekly rate, maximum amount, and duration of benefits at least equal to those which you would have received from the State Plan.

TO FILE A CLAIM

Claims may be filed telephonically by calling 1-800-896-9375. You may also file your claim online at www.mylibertyclaim.com (Claimant Service ID:stanford). Your claim must be filed within 60 days from the first day of a compensable Disability.

After you file a claim, you will receive a Notice of Computation (DE 429D) from the State, which will show the minimum weekly amount, you should be paid. You should note the wage quarters used by the State to compute the amount.

If you were in the military service, received Workers' Compensation benefits or did not work because of a trade dispute during the base period, you may be able to substitute wages paid in prior quarters to make your claim valid or increase the benefit amount. If your claim is invalid because of extended unemployment during the base period, you also may be able to substitute wages paid in prior quarters to make the claim valid.

Under the Provisions of the California Unemployment Insurance Code, Stanford University or its authorized administrator shall have the right to: (1) require supplemental forms from you, your Physician, or those authorized to certify disabilities, as often as deemed necessary, and (2) have you examined by a Physician while you are claiming benefits under the Plan. This may be done when and as often as may be reasonably required during the period benefit payments may be due under the Plan.

You must submit medical certification, signed by a certified Physician or practitioner within 20 days of the date you are issued a notice of final payment or you receive a request for additional medical certification, whichever is later.

If you are overpaid for any reason, you will be required to repay the overpayment to the Plan, to the extent permitted under the California Unemployment Insurance Code and the California Code of Regulations.

APPEALS

If you are denied benefits under this Plan, you may appeal the denial. You may appeal in person or in writing at your local office of the Employment Development Department within 20 days from the date the notice of denial was mailed. Written appeals must be signed and include your name, Social Security Account Number, the name of your employer and the reason you are filing the appeal.

VOLUNTARY FAMILY TEMPORARY DISABILITY (VFTD)

The Voluntary Family Temporary Disability Program (VFTD) is included as part of the Voluntary Plan. The following is a brief overview of this program.

Two kinds of VFTD benefits will be paid to employees: 1) to care for a seriously ill family member including your child, spouse, parent or domestic partner or 2) to bond with a new child of the employee or his/her domestic partner, within one year of the birth/adoption or foster care placement.

To care for a seriously ill family member or for a father to bond with his new child, there is a seven-day waiting period. You are required to use two weeks of accrued vacation prior to receiving benefits. One week of vacation can be used to satisfy the waiting period. For a new mother who has received Voluntary Plan benefits due to pregnancy/maternity disability there is no waiting period for bonding with her baby.

The weekly benefit under VFTD will be the same as the Disability benefit under the Voluntary Plan. The maximum VFTD benefit paid in a 12-month period is six times the weekly benefit amount.

All qualified Voluntary Plan participants are eligible for benefits. Medical and other documentation will be required to qualify for VFTD.

For additional information on the Family Temporary Disability benefits that are paid through your Voluntary Plan, you may access EDD's website at www.edd.ca.gov. The State refers to these benefits as Paid Family Leave.

This is a Summary Statement of Coverage of the Plan. The Plan Document actually governs the Plan and describes all of the provisions in more detail. A copy of the Plan Document is available for review by contacting Stanford Benefits.