



Short-Term Disability Program Overview



MISSION

Leidos makes the world safer, healthier, and more efficient through information technology, engineering, and science.

VISION

Become the global leader in the integration and application of information technology, engineering, and science to solve our customers' most demanding challenges.

We will deliver innovative solutions through the efforts of our diverse and talented people who are dedicated to our customers' success. We will empower our teams, contribute to our communities, and operate sustainably.

VALUES



INTEGRITY



INCLUSION



INNOVATION



AGILITY



COLLABORATION



COMMITMENT



Short-Term Disability (STD) Program Basics



- ▶ The Leidos STD program has **3 Possible Components that Work Together** to replace a percentage of income in the event of disability, including leaves related to pregnancy and child-birth:
 1. **Disability Sick Leave (DSL)** – Days of leave provided by Leidos at no cost to employee
 2. **Voluntary Short-Term Disability Insurance (VSDI)** – Employee must elect coverage in Workday; premiums are 100% paid by the employee
 3. **State-Mandated Disability and Paid Medical Leave Programs:** Employees in certain locations may be covered under state disability and paid medical leave programs. Premiums for those programs may be paid by either the employee, the employer, or a combination of employee and employer

- ▶ **STD benefits begin on:**
 - The 1st day of disability, if hospitalized on the first day and charged the full daily rate
 - The 8th day of disability, if not hospitalized
 - › Employees may use accrued PTO during the 7-day waiting period, if available

- ▶ **Maximum STD Benefit Period:** 26 weeks, not to exceed 180 days

For questions on eligibility or how the Leidos Short-Term Disability program works, please contact Employee Services Leave Administration at 855-553-4367, option 3 or email LeaveAdmin@Leidos.com.

STD Program Components



Disability Sick Leave (DSL):

- ▶ You receive 10 days (80 hours) of DSL on your date of hire and on each anniversary of your date of hire (DSL is pro-rated for part-time employees)
 - You may accrue up to the maximum amount of 1,560 hours or 195 days of DSL.
 - If you need to take a disability leave, no additional disability pay is available beyond what you have accrued, unless you have elected VSDI (see below) or are covered under a state-mandated disability or paid medical leave program
- ▶ DSL can only be used for approved short-term disability claims (administered by Sedgwick)

Voluntary Short-Term Disability Insurance (VSDI):

- ▶ The average length of a disability leave is 44 days—it could be longer. To ensure that you have enough disability leave to cover an unexpected illness or maternity leave, you should consider purchasing VSDI.
- ▶ VSDI coordinates with your DSL leave and any state-mandated disability or paid medical leave benefits for which you may be eligible to replace up to 100% of your pay:
 - If you **ELECT** VSDI, 20% of your disability payment will come from your accrued DSL hours. The other 80% will come from VSDI, offset by any applicable state disability or paid medical leave benefits
 - If you do **NOT** elect VSDI and do not qualify for any state disability or paid medical leave plans, 100% of your disability payments will come from and will be limited by the amount of DSL hours you have accrued.



State-Mandated Disability and Paid Medical Leave Programs

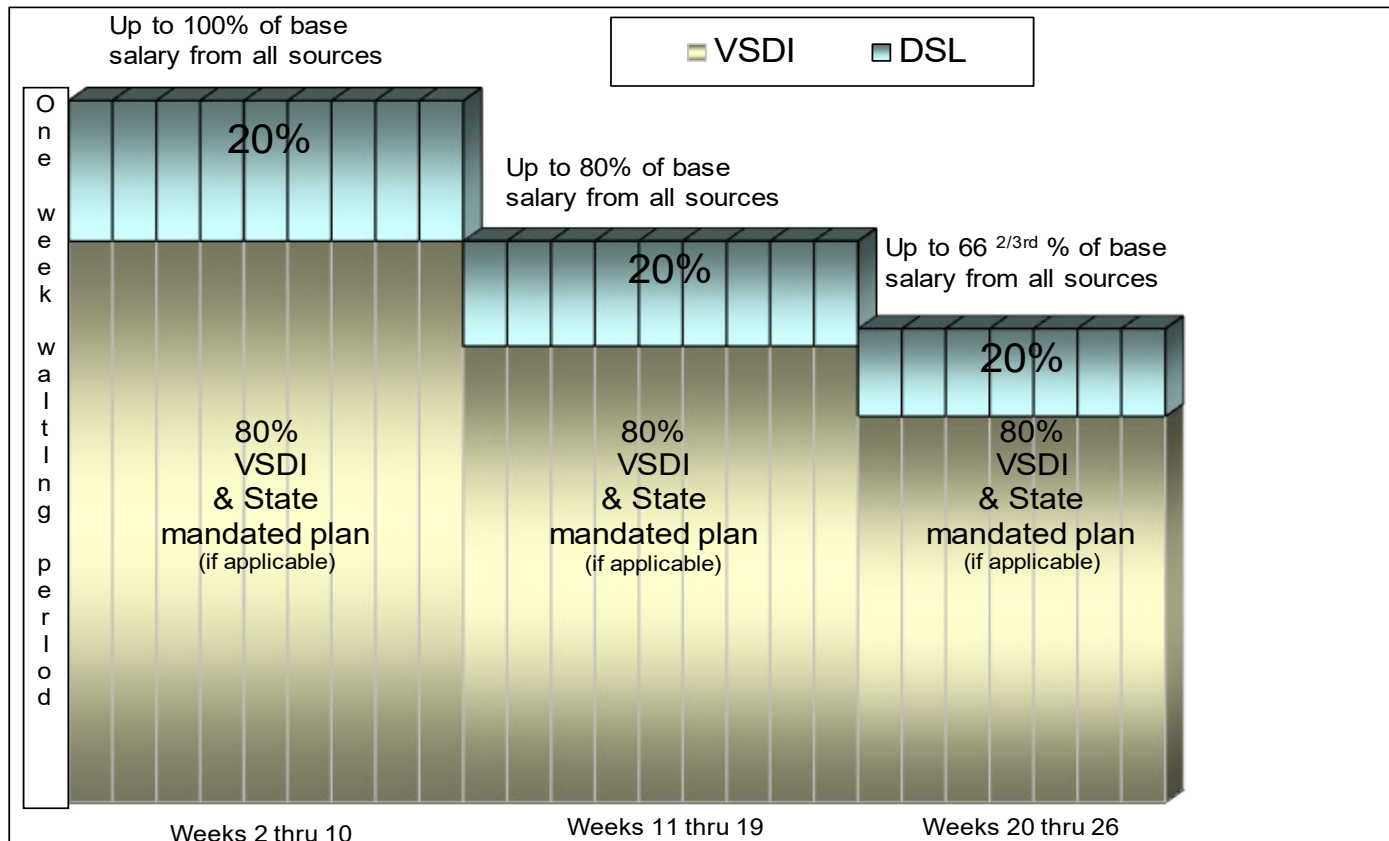


- ▶ If you work in certain locations, you may be eligible for other short-term disability benefits or paid medical leave programs
- ▶ Locations with mandated disability or paid medical leave programs include:
 - California
 - Colorado
 - Connecticut
 - Hawaii
 - Massachusetts
 - New Jersey
 - New York
 - Oregon
 - Rhode Island
 - Washington
 - Washington, D.C.
 - Commonwealth of Puerto Rico
- ▶ DSL and VSDI coordinate with and supplement state-mandated plans. This means that the state plans pay first and DSL/VSDI will make up the difference -- up to the benefit level the plan would normally pay.



How the STD Programs Work Together

- ▶ The percentage of income replaced by STD payments decreases the longer your disability
- ▶ If you elected VSDI and/or are eligible for a state mandated plan, 20% of your disability pay will be taken from your available DSL, with the other 80% paid by your VSDI coverage and/or state mandated plan
- ▶ **If you decline to enroll in VSDI, 100% of your disability payment must be taken from your DSL balance, and your DSL balance will be exhausted more quickly than if you had both DSL and VSDI**
- ▶ **NOTE:** The example below assumes you have elected VSDI and have adequate DSL during your leave



Do You Need to Elect VSDI?



- ▶ **An Important Decision:** During open enrollment, when you are trying to decide whether to elect Voluntary Short-Term Disability Insurance, carefully consider:
 - Your personal situation
 - The amount of DSL days you have accrued and available for you to use
 - Whether you are eligible for benefits under a state-mandated program
- ▶ Average length of a disability leave: **44 days**
- ▶ **Top 5 Reasons** for taking STD Leave (subject to approval based on medical documentation):
 - Infectious Disease
 - Pregnancy (typically 6 weeks for regular delivery and 8 weeks for C-section)
 - Musculoskeletal
 - Mental Health/ Substance Use Disorder
 - Back and Spine
- ▶ As you know, you cannot always plan for or have control over future events. **You should consider enrolling in VSDI if:**
 - You don't have a significant DSL balance
 - You must stay on short-term disability for 6 months (~120 work days) before qualifying for long-term disability benefits if applicable
 - You don't have at least 2 – 6 month's worth of savings
 - You don't have a significant PTO balance
 - You have adequate PTO, but want to save it for vacations



STD Payment Scenarios



Scenario 1: An employee who does not live in a state with mandated disability insurance has 180 hours of accrued DSL, has enrolled in VSDI, and is making \$1,000 per week:

PERIOD OF DISABILITY	TOTAL PAY (PER WEEK)	VSDI (PER WEEK)	DSL (PER WEEK)
WEEKS 1 - 9 ¹	\$1,000	\$800	\$200 ²
WEEKS 10 – 18	\$800	\$640	\$160 ²
WEEKS 19 – 26 ³	\$667	\$534	\$133 ²

¹Assumes hospitalization on the first day of disability

²Based on DSL Balance of 180 hours

STD Payment Scenarios, Continued



Scenario 2: Employee hired less than a year ago is pregnant, is not eligible for state disability insurance, did not enroll in VSDI, has already used all her available PTO, and makes \$1,000 per week:

- The average length of a pregnancy (C-section) disability is 8 weeks (320 full-time hours or 40 work days)
- Employee will only have 30 days (240 hours) of paid leave:
 - 10 days (80 hours) of DSL
 - 20 days (160 hours) of Paid Parental Leave
- Employee may fall short in terms of the time she may want to spend on leave; she should consider enrolling in VSDI

Period of Disability	Total Pay (Per Week)	DSL (Per Week)	Paid Parental Leave (Per Week)
Week 1 ¹	\$1,000	\$1,000	N/A
Week 2	\$1,000	\$1,000	N/A
Week 3	\$1,000	\$0	\$1,000
Week 4	\$1,000	\$0	\$1,000
Week 5	\$1,000	\$0	\$1,000
Week 6	\$1,000	\$0	\$1,000
Week 7	\$0	\$0	\$0
Week 8	\$0	\$0	\$0

¹Assumes hospitalization on the first day of disability

STD Payment Scenarios (cont.)



Scenario 3: Employee in Hawaii has worked at Leidos for 3 years, with a salary of \$1,500 per week, has no PTO balance, and did not elect VSDI. Employee is eligible for the maximum HI disability benefit. Employee suffers from a musculoskeletal condition and has used all but 5 days (40 hours) of DSL leave. Employee is disabled for 9 weeks (hospitalized on first day):

- DSL will pay the full salary of \$1,500 for the first week of disability
- For the remaining 8 weeks of disability, the employee's only income is \$765 per week from the Hawaii Temporary Disability Insurance program.
- If the employee enrolled in VSDI, employee would have received \$1,500 per week (100% full salary) for the first 5 weeks and \$1200 per week (80% of salary) for weeks 6-9 (\$435 from VSDI and \$765 from HI TDI)
- Employee should consider enrolling in VSDI during Open Enrollment.

Period of Disability	Total Pay (Per Week)	DSL (Per Week)	HI Temp. Disability (Per Week)
Week 1	\$1,500	\$1500	\$N/A
Week 2	\$765	\$0	\$765
Week 3	\$765	\$0	\$765
Week 4	\$765	\$0	\$765
Week 5	\$765	\$0	\$765
Week 6	\$765	\$0	\$765
Week 7	\$765	\$0	\$765
Week 8	\$765	\$0	\$765
Week 9	\$765	\$0	\$765

Paid Parental Leave (PPL)



- ▶ Leidos provides 4 work weeks or 160 hours of company-paid parental leave to support employees with growing families. PPL is prorated for part-time employees.
- ▶ **Timing:** Paid parental leave must be taken within 12 months of the following events:
 - Birth of your child
 - Adoption, or placement of a child in your home for adoption
 - Placement of a child in your home for foster care in anticipation of adoption
 - Legal guardianship of a child
- ▶ **Coordination** with other statutory leaves:
 - Paid parental leave benefits are *in addition* to any parental leave benefit(s) you may qualify for under paid family leave programs offered under any state, city or local government laws.
- ▶ **Coordination** with other Disability Programs: For birth mothers, paid parental leave is *in addition* to any disability insurance leave they are eligible for under state-mandated or Leidos short-term disability programs (Leidos Disability Sick Leave (DSL) and Leidos Voluntary Short-Term Disability Insurance (VSDI) program)



Questions?



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