

Short-Term Disability Program Overview

SHORT-TERM DISABILITY (STD) PROGRAM

- 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:
 - **Disability Sick Leave (DSL)** - Days of leave provided by Leidos at no cost to employee
 - **Voluntary Short-Term Disability Insurance (VSDI)** - Employee must elect coverage in Workday; premiums are 100% paid by the employee
 - **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

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 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 54 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

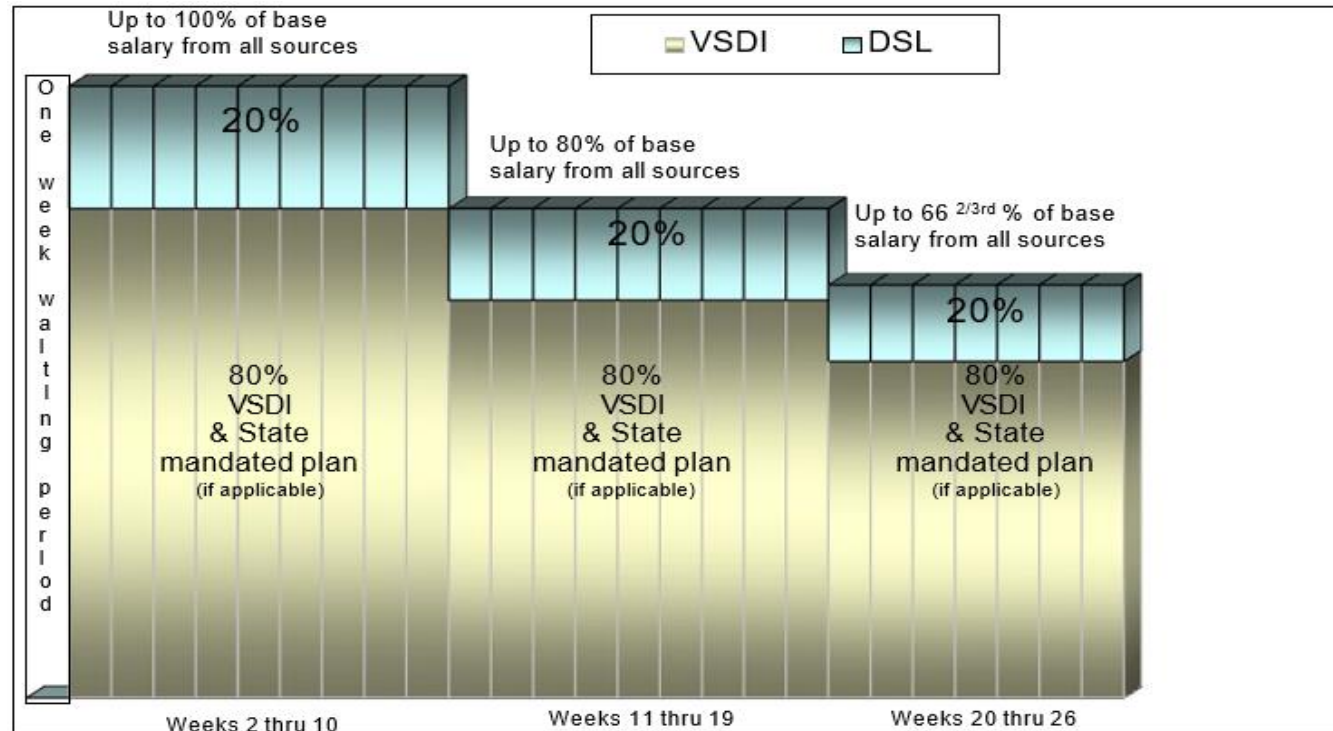
- If you work in certain locations, you may be eligible for other short-term disability benefits or paid medical leave programs
- Locations with mandated disability or paid medical leave programs include:

California	Colorado	Connecticut	Delaware	District of Columbia
Hawaii	Maine	Massachusetts	Minnesota	New Jersey
New York	Oregon	Puerto Rico	Rhode Island	Washington

- 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: 54 days**
- **Top 5 Reasons** for taking STD Leave (subject to approval based on medical documentation):
 - Musculoskeletal Conditions
 - Pregnancy (typically 6 weeks for regular delivery and 8 weeks for C-Section)
 - Tumors
 - Mental Health/ Substance Use Disorder
 - Gastrointestinal Conditions
- 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 workdays) 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 vacation(s)

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) ²
Weeks 1 - 9 ¹	\$1,000	\$800	\$200
Weeks 10 - 18	\$800	\$640	\$160
Weeks 19 - 26	\$667	\$534	\$133

¹ Assumes hospitalization on the first day of disability

² Based 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 workdays)
 - 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*	\$1,000	\$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

*Assumes hospitalization on the first day of disability

STD PAYMENT SCENARIOS, CONTINUED

- 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 \$837 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 (\$363 from VSDI and \$837 from HI TDI)
 - Employee should consider enrolling in VSDI during Open Enrollment.

Period of Disability	Total Pay (Per Week)	DSL (Per Week)	Hawaii Temp. Disability (Per Week)
Week 1*	\$1,500	\$1,500	N/A
Week 2	\$837	\$0	\$837
Week 3	\$837	\$0	\$837
Week 4	\$837	\$0	\$837
Week 5	\$837	\$0	\$837
Week 6	\$837	\$0	\$837
Week 7	\$837	\$0	\$837
Week 8	\$837	\$0	\$837
Week 9	\$837	\$0	\$837

*Assumes hospitalization on the first day of disability.

SEDGWICK'S COMPASSIONATE CARE PROGRAM

- Offers a more in depth one-to-one supportive assistance to employees on disability due to a catastrophic illness or progressive disorder (**currently available for cancer, stroke and ALS**)
- While the claims examiner will continue to handle benefit calculations, a **dedicated clinician** will take over the case to provide high touch support:
 - Help employees understand their diagnosis and treatment plan
 - Reduce stress and anxiety related to the disability claims process and connect employees with behavioral health clinicians or social workers, as appropriate
 - Help employees explore with their doctors a workable schedule around treatment and expectations for return to work
 - Share available resources that may assist employee needs
- **For more information, click [here](#).**

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
- **Eligibility**
 - Regular, full-time and part-time U.S benefits-eligible employees are eligible for Paid Parental Leave after 30 days of employment
 - New employees may not request leave for an event that occurred prior to starting employment at Leidos
- **Timing**
 - Paid parental leave must be taken within 12 months of the following events:
 - Birth of your child
 - Adoption, or placement of a child for adoption in your home
 - Foster care of a child in anticipation of adoption
 - Obtaining legal guardianship of a child that is not the employee's biological 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 (DSL and VSDI)

QUESTIONS?

For questions on eligibility or how the Leidos Short-Term Disability program works, please contact:

Leave Services 855-553-4367, option 4

LeaveServices@leidos.com

DISCLOSURE

This presentation provides an overview of certain Leidos benefits offerings. In the event of a conflict between the information in this presentation and/or the terms of the Plan document (as amended) and/or the published Policies and Procedures, the Plan document and/or published Policies and Procedures will govern.

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For additional information, visit the Benefits Summary Plan Description website at <https://benefits.leidos.com> and Leidos Command Media at https://prism.leidos.com/command_media.