



Short Term Disability (STD) Procedures

1.0 Description of Short-Term Disability (STD) Benefits

An employee who becomes unable to work due to a serious health condition (**including pregnancy - see Section 1.1 for specific pregnancy guidance**) may be eligible for Short-Term Disability income replacement benefit (STD). Eligibility for this benefit is based upon full-time consecutive service as of the first day of disability and medical necessity. STD pay will begin on the eighth (8th) day and will be paid for the period of time The Hartford approves the leave, according to the following STD eligibility schedule, after the seven (7) calendar day STD Elimination Period:

Length of Service	Weekly Benefit at 100%	Weekly Benefit at 50%
3 Months - 1 Year	0	25
1 Year - 2 Years	2	23
2 Years - 3 Years	4	21
3 Years - 4 Years	7	18
4 Years - 5 Years	11	14
Over 5 Years	13	12

The benefit is determined by the above schedule, and upon approval by The Hartford, shall be reduced by the amount of any other income benefits to which the employee is entitled for the same period of disability, including but not limited to state paid disability or leave benefits and Social Security.

1.1 Short-Term Disability (STD) For Maternity Disability Claimants

Gallagher does not have a separate Maternity Leave. Pregnancy/recovery from childbirth is considered a serious health condition that is eligible for STD benefits. Eligible employees can expect six (6) weeks of STD for a natural delivery, and eight (8) weeks of STD for cesarean delivery. After this period of maternity disability, eligible employees will have the opportunity to take additional leave time to bond with their new baby under Gallagher's Paid Parental Leave, FMLA, or any other applicable state/local leaves that may offer additional job protected time off. Please see the Paid Parental Leave and FMLA Policies for additional information on these

Short Term Disability (STD) Procedures

benefits. If you would like to add your baby to Gallagher's medical coverage, please go to myHR to initiate a Life Event which must be completed within 31 days of birth.

2.0 Eligibility

Length of Service Requirement

To be eligible for STD, employees must be regular, full-time (regularly scheduled for a minimum of 30 hours per week) and have at least three (3) months of continuous full-time service.

Type of Leave Covered

STD benefit is available for leaves of absence that are:

- due to one's own serious health condition*;
- greater than seven (7) full calendar days in duration; and
- approved by The Hartford

*Purely cosmetic procedures not associated with a medical reason are excluded from STD eligibility.

3.0 Employee's Responsibilities

The following are the steps you should follow as soon as it is known that you must take a medical leave that will exceed seven (7) full calendar days:

1. Provide your manager at least 30 days advance notice, when practicable and/or possible, of the need for a leave of absence. If 30 days' notice is not possible, due to a medical emergency or a change in circumstances, verbal notice is acceptable within at least two days of learning of the need for leave.
2. File a claim with The Hartford at 1-888-877-0751 or online at <https://abilityadvantage.thehartford.com>.
3. Apply for state disability benefits if applicable, as directed by The Hartford Claim Analyst. If you are unsure if you work in a state that offers disability benefits, contact The Gallagher Leave Administrator at ajgloa_AJGLOA@ajg.com.
4. Submit all required medical certifications and forms within deadlines directly to The Hartford and provide documentation of need for on-going leave as requested.
5. Maintain communication with The Hartford Claim Analyst concerning the status of their leave. **Note: No medical information should be sent to Gallagher.**



Short Term Disability (STD) Procedures

6. If taking leave due to birth of a child, you may add the child to your medical coverage within 31 days of birth. To add the child to Gallagher's medical coverage go to myHR to initiate a Life Event.
7. Once The Hartford informs you that you will begin the 50% benefit or the unpaid portion of the leave, you must notify your manager if you would like to apply accrued, unused vacation days to supplement any unpaid portion of your leave. If you would like to receive payment for vacation days that have not been accrued, you will have to ask your manager if you may do so. If allowed, you will need to sign and submit a completed Advanced Vacation Repayment Agreement. Your manager needs to email Payroll at USPayroll_NoReply_LOA@ajg.com to apply your accrued vacation to unpaid portions of your leave. See Vacation Policy for more information.
8. If you are released to return to work with restrictions that alter your work schedule (ex: working part-time hours for a period of time), your restrictions must be submitted to The Hartford for review prior to your actual return. The Hartford will confirm with the business if your restricted release can be accommodated. You should not return to work with restrictions until the business confirms with The Hartford they can accommodate your restricted release. If you return to work prior to The Hartford approving you for part-time STD payments, both regular pay and STD payments will be impacted and/or delayed. Whether you are an exempt or non-exempt employee working a reduced basis while on an approved STD leave, you must complete and submit the Gallagher FMLA Timesheet provided by the Gallagher Leave Administrator to you and your manager. **For non-exempt employees, the Gallagher FMLA Timesheet must be completed in lieu of recording time off in the Time Module in myHR.** You will need to submit these timesheets weekly to your manager. Failure to submit in a timely manner will result in a delay in pay. You will also need to keep The Hartford informed of your work status. Failure to notify The Hartford of any changes to your leave will impact your regular pay and any applicable STD benefits.
9. Do not perform any work until you are released, in writing, by your healthcare provider. You should not utilize your work email address while on leave. In certain leave circumstances, your access to certain active directories and resources may be suspended. In addition, you may be asked to provide delegate access to client-based communications, calendaring applications, and the like. You may also be asked to temporarily return sensitive company equipment while on leave.
10. Provide The Hartford Claim Analyst with the healthcare provider's release statement before your return to work date.



Short Term Disability (STD) Procedures

11. In the event of an overpayment of regular pay, repay the overpaid amount promptly according to the Company's standard practice which can be found under the Compensation & Hours of Work section of the HR Manual (See Paychecks).

Note: An employee's failure to timely contact and provide The Hartford medical documentation in support of their claim may result in denial, delay, suspension or interruption of leave benefits, placing the employee in an unauthorized absence situation and therefore subject to corrective performance management which may include termination of employment. An employee's failure to timely open their claim with The Hartford may result in an overpayment of regular pay that will need to be repaid to the Company in accordance to the Compensation & Hours of Work section of the HR Manual (See Paychecks).

4.0 Company Provided STD Pay - Issued by The Hartford

Gallagher issues STD payment through The Hartford, assuming approval from The Hartford:

- **7-Calendar Day STD Elimination Period:** The first seven (7) full consecutive calendar days of a STD absence will generally be paid under the Attendance Policy by Gallagher Corporate Payroll for up to five (5) work days, as long as you are not on warning for excessive unauthorized absences as defined in the Attendance Policy.
- **Short-Term Disability (STD) Pay:** Disability pay begins on the eighth (8th) day of absence and will be paid according to the STD eligibility schedule and the period of time The Hartford approves the leave. Disability pay is calculated according to the eligibility schedule above. STD payments are made to employees by The Hartford on a weekly basis. Note: STD benefits will be reduced by any amounts received by the employee from state disability, state paid family and medical leave benefits, Social Security and certain other types of income.
- **Vacation:** Accrued, unused, vacation time may be used to supplement partial days of disability benefits. The Hartford will not pay out any vacation. If you wish to apply accrued, unused vacation time, you must ask your manager to request that payout from Gallagher Corporate Payroll. Vacation can only be applied to 50% weekly benefit or unpaid leave benefit. Vacation cannot be applied if you are receiving STD at 100% weekly benefit. Optional days may not be used during a leave of absence. Employee contributions for elected benefits, if owed, will be collected from vacation payouts.

4.1 Calculation of Weekly STD Pay

Provided the claim is approved by The Hartford, the STD benefit will be paid weekly. If an approvable benefit is payable for less than a week, the benefit will pay 1/5th of the weekly benefit for each day you were disabled.



Short Term Disability (STD) Procedures

4.2 Pay Accuracy: During the leave of absence and afterwards, Payroll and Benefits will review the employee's leave pay to ensure accurate pay. If it is determined that the employee was underpaid, the employee will receive that amount in conjunction with the next regularly scheduled pay period. In the event an employee was overpaid, the employee will be required to repay the Company. Generally, deductions from subsequent paychecks will be made by Payroll in accordance with the order in which the payment error was made. For example, if an employee was overpaid over two pay periods, the employee's next two paychecks will be reduced to recover the overpayment. See Paychecks for more information. If an employee is overpaid STD benefits, The Hartford will outreach to the employee directly and attempt to collect the overpayment.

5.0 State/Local Law Provided Paid Sick Leave (See State/Local Law Exceptions Chart)

Employees in some states and other local jurisdictions might have paid sick leave (PSL) time provided by state or local law. PSL time will always be used and exhausted concurrently with STD. The employee's manager is responsible for alerting Payroll about available PSL time and accurately tracking usage of that PSL time.

5.1 State Disability Benefits or State Paid Family and Medical Leave Benefits

Employees who work in a state that offers paid leave benefits are required to apply for state disability or state paid family and medical leave benefits provided the leave of absence will last at least eight (8) consecutive days. The Hartford Claim Analyst will inform you how to apply for the state disability or state paid family and medical leave benefits. It is your responsibility to apply for these benefits. Employees receiving statutory benefits will have their disability pay offset by an estimated state benefit provided by The Hartford. If the state disability benefit or state paid family and medical leave benefit is less than The Hartford's estimation, employees are required to provide evidence of the actual state benefit to The Hartford so that benefits under STD can be adjusted. If you are unsure if you work in a state with a Paid Family and Medical Leave, contact Gallagher's Leave Administrator at ajgloa_AJGLOA@ajg.com.

If the state's benefit equals or exceeds the employee's short-term disability benefit amount, no STD benefit will be paid unless the employee has elected to use vacation to supplement the unpaid time. Note: Although no pay is issued under this circumstance, the leave is still counted towards usage of the STD benefit.

6.0 Status of Employee Benefits While on Short-Term Disability

Vacation

For purposes of determining vacation and optional days earned, an absence from work of no more than thirty (30) days shall be considered time worked and no accrued vacation will be lost.

Short Term Disability (STD) Procedures

In the event your leave exceeds one (1) month in duration, your vacation accrual will cease. Generally, once you return to active employment, your vacation accrual will resume upon the first business day of the month following your return from leave.

Example: If an employee returns on January 18 from an approved FMLA leave of more than thirty days duration, their vacation accrual will restart on February 1.

Unless managers approve a vacation request at the end of an approved leave, employees are expected to return to work once they have been released by their treating medical provider and leave eligibility has been exhausted. Generally, once an employee physically returns to work following an absence of more than one (1) month, any unused/accrued vacation and/or optional day remaining may not be taken until they have worked at least 30 business days.

Holidays

Holidays do not extend any periods of leave. If an employee is in an unpaid status due to their state paid leave benefit being greater than their Gallagher STD benefit - they will not receive holiday pay but will instead receive the rate of disability pay pursuant to the STD benefit. If an employee who is not receiving state paid leave benefits and has a STD approval that occurs on a holiday, the employee will receive their STD benefit rather than holiday pay.

Company-Provided Life and Long-Term Disability Plans

Company paid benefits (i.e. company-provided life, LTD) will continue for the duration of a medically supported disability period to a maximum of twenty-five weeks from the start of the disability leave.

Medical/Rx Plan, Dental Plan, Vision Plan, Flex Spending Accounts, Legal Services Plans

The Company will continue coverage for the employee's elected benefits for the duration of the FMLA approved leave. If the employee will be unpaid for four or fewer pay periods due to unpaid leave and their payroll deductions for their portion cease, any missing contributions will be collected from their first paycheck after they return to work. If the employee will be unpaid for more than four pay periods, they will receive instructions to self-pay their benefits from the Gallagher Leave Administrator and they must pay their contributions with a personal check. If payment is not received by the indicated due date, benefits may be suspended or terminated. If there are any owed employee contributions for elected benefits, it will be collected from vacation payouts. Any missing benefits still owed to Gallagher will be collected in full from the employee's first pay, which in some cases could result in a net zero pay.

401(k) Savings & Thrift Plan



Short Term Disability (STD) Procedures

During an approved leave associated with a medically supported disability, ongoing contributions into an employee's 401(k) account will cease. Non-regular earnings paid to an employee paid during an unpaid leave may be subject to 401(k) deferral. If the employee has a loan, payroll deductions will be suspended. The employee should contact Empower directly at 844-465-4455 to make payments directly to Empower while on an unpaid leave. Upon return from unpaid leave, 401(k) contributions will be re-initiated and the payroll deduction of outstanding loan repayments will resume per the loan agreement. 401(k) contributions and loan repayments will not be retroactive. STD leave time is counted toward the eligibility and vesting service requirements for any company matching contributions that may be offered by Gallagher. Any company matching contribution will be based on the employee's eligible compensation and contributions the employee made during the calendar year.

Company Car Program

If an employee who is out on leave also participates in the Company Car Program, their car allowance and insurance coverage will continue. The maximum period of time an employee on STD can continue on the Company Car Program is two (2) months from the date of leave. Employees may be reinstated in the Company Car Program upon release by their healthcare provider to return to work.

7.0 Coordination with FMLA

STD leave exhausts concurrently with eligible FMLA leave. An employee entitled to more than 12 weeks of STD leave may continue to receive pay for their documented disability even though FMLA protection has exhausted.

8.0 Coordination with Workers' Compensation

When an employee is injured while working or reports a work-related injury or illness and will miss time from work, the employee should not open an STD claim. Instead they must open a FMLA claim with The Hartford and concurrently open a Workers' Compensation claim with their manager's help. (See Workers' Compensation Policy) If the employee is subsequently denied workers' compensation benefits, they will be instructed at that time to open an STD claim with The Hartford and follow the standard STD process. If approved for STD, the employee will receive retroactive STD pay, if applicable.

9.0 Coordination with Long-Term Disability (LTD)

When the disability is expected to continue in excess of 180 consecutive days, The Hartford will contact the employee about the Long-Term Disability (LTD) benefit sometime after the third month of disability. The STD claim will still be managed by The Hartford Claim Analyst while the



Short Term Disability (STD) Procedures

LTD decision is pending. The employee and manager may be asked by The Hartford to provide additional information regarding the disability and the employee's job requirements.

If the employee reaches the end of their 25 weeks of STD benefit but remains disabled, the employee may be placed on inactive status if not yet approved for the LTD benefit. Generally, if the LTD application is approved, the employee's employment is terminated because the employee has certified they are unable to perform the essential functions of their job with or without reasonable accommodations.

When the LTD benefit is denied, the employee's employment may still be terminated if the employee is unable to return to work or perform the essential functions of their job with or without reasonable accommodations. When the LTD claim is denied, the employee's employment may still be terminated under certain circumstances.

When an employee's service is terminated following the LTD decision, the Company will generally first recover any past due benefit premiums paid on the employee's behalf, or any wage overpayments from the employee's accrued, unused vacation days.

10.0 Return to Work and Fitness for Duty

The manager, in consultation with Gallagher's Leave Administrator and their Human Resources Leader, will take all reasonable steps to return an employee to the original position when possible. If the employee is unable to perform the essential functions of the position, every reasonable effort will be made to accommodate restrictions or to place the employee in another position in the organization within the spirit of applicable laws and regulations.

An employee returning from disability leave may be required to submit to a Fitness for Duty Medical Examination if there is a sufficient business-related reason to believe that ongoing limitations, related to the serious health condition that necessitated the leave, may interfere with their ability to perform the essential functions of their job. The Company reserves the right to delay return to work until the employee is examined by a healthcare provider and submits a Fitness for Duty certification to their manager.

11.0 Definitions Disabled

For purposes of this Procedure, "disabled" means unable to perform one's regular job functions on a full-time basis as certified by a licensed healthcare provider practicing within the scope of his/her license.

100% Weekly Rate

The weekly rate of pay excluding overtime, bonuses, or other extra compensation.

Short Term Disability (STD) Procedures



Insurance | Risk Management | Consulting

50% Weekly Rate

50% of the weekly rate of pay excluding overtime, bonuses or other extra compensation.

12.0 Contacts for Questions

Questions about the STD claim and STD payments while out on leave should be directed to The Hartford Claim Analyst.

Questions about the policy and/or procedures listed above should be emailed to the Gallagher Leave Administrator at ajgloa_AJGLOA@ajg.com.

Notifications about vacation usage should be emailed to USPayroll_NoReply_LOA@ajg.com.