YOUR BENEFITS

A Plan Designed to Provide Security for Employees of

San Francisco Bay Area Rapid Transit District

Class 1, 2, 3, or 4 Members

Short Term Disability Coverage
Your benefit plan has been designed to provide financial help for you when a covered loss occurs. The plan is established through a Plan Document for the Planholder, San Francisco Bay Area Rapid Transit District.

The plan has been established on a noninsured basis; all liability for payment of benefits is assumed by the Planholder. While Principal Life Insurance Company administers payment of claims, Principal Life Insurance Company has no liability for the funding of the benefit plan.

While one of the functions of Principal Life Insurance Company is to process claims according to the plan provisions, all claims under the plan are paid by the Planholder and the Planholder owns the claim files. Therefore, the final decision on any disputed claim may involve review of these files by San Francisco Bay Area Rapid Transit District.

The Planholder has complete discretion to construe or interpret all provisions, to determine eligibility for benefits, and to determine the type and extent of benefits, if any, to be provided. The Planholder's decisions in such matters shall be controlling, binding, and final. In any action to review any such decision by the Planholder, the Planholder shall be deemed to have exercised its discretion properly unless it is proved duly that the Planholder has acted arbitrarily and capriciously.

As a covered Member of the plan, your rights and benefits are determined by the provisions of the Plan Document. This booklet briefly describes those rights and benefits. It outlines what you must do to be covered. It explains how to file claims.

FUTURE OF PLAN. It is expected that this plan will be continued indefinitely. However, the Planholder does have the right to change or terminate the plan at any time.

PLEASE READ YOUR BOOKLET CAREFULLY. We suggest that you start with a review of the terms listed in the DEFINITIONS Section (at the back of the booklet). The meanings of these terms will help you understand the provisions of your plan.

Administered by:

PRINCIPAL LIFE INSURANCE COMPANY
Des Moines, IA  50392-0001
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SUMMARY OF BENEFITS  
(effective March 1, 2017)

This section highlights the benefits provided under your plan. The purpose is to give you quick access to the information you will most often want to review. Please read the other sections of this booklet for a more detailed explanation of your benefits and any limitations or restrictions that might apply.

| SHORT TERM DISABILITY COVERAGE  
(Non-Occupational) |
<table>
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<tbody>
<tr>
<td><strong>Minimum Hours Requirement</strong></td>
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</table>
| **Who Pays for Coverage** | Class 1, 2, and 3 Members: You are not required to pay the contribution for coverage under the plan.  
Class 4 Members: You are required to pay all of the contribution for coverage under the plan. |
| **Elimination Period** | A Benefit Payment Period will begin on the later of:  
8th day for Disability Due to Injury; or  
8th day for Disability Due to Sickness; or  
The date accumulated sick leave expires.  
Note: For pregnancy claims for Class 1 and Class 3 Members: STD benefits and sick leave paid by the Planholder may be integrated (see definition of Other Income Sources). |

Benefits will begin on the earlier of completion of an Elimination Period or on the first day of Hospitalization if you are Hospitalized for any Disability.

<table>
<thead>
<tr>
<th><strong>Primary Benefit</strong></th>
<th>66 2/3% of Predisability Earnings</th>
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<tbody>
<tr>
<td><strong>Maximum Weekly Benefit</strong></td>
<td>$1,173</td>
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<tr>
<td><strong>Minimum Weekly Benefit</strong></td>
<td>$15</td>
</tr>
<tr>
<td><strong>Maximum Benefit Payment Period</strong></td>
<td>26 weeks</td>
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Rehabilitation Services and Benefits

- Rehabilitation Services | Included |
- Predisability Intervention Services | Included |
# SHORT TERM DISABILITY COVERAGE
(Non-Occupational)

<table>
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<th>Other Coverage Features</th>
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<tr>
<td>Work Incentive Benefit</td>
<td>Included</td>
</tr>
<tr>
<td>Survivor Benefit</td>
<td>3 times Primary Benefit</td>
</tr>
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</table>

**NOTE:**

Benefits may be reduced by other sources of income and disability earnings.

Some disabilities may not be covered or may be limited under this coverage.

*The Maximum Weekly Benefit amount payable may change annually based on the state average weekly wage.*
HOW TO BE COVERED
SHORT TERM DISABILITY COVERAGE

Eligibility

You will be eligible for coverage on the later of:

a. March 1, 2017; or

b. the first of the calendar month following the date you become a Member as described in this booklet.
HOW TO BE COVERED
SHORT TERM DISABILITY COVERAGE

Effective Dates

Actively at Work

Your effective date for Short Term Disability Coverage will be as explained in this booklet, if you are Actively at Work on that date. If you are not Actively at Work on the date coverage would otherwise be effective, such coverage will not be in force until the day of return to Active Work.

This Actively at Work requirement may be waived as described in Replacement of Prior Plan on page 15 of this booklet.

Effective Date

Unless Proof of Good Health is required, coverage for which you contribute no part of contributions will be in force on the date you are eligible.

If you are to contribute a part, coverage must be requested on a form provided by the Planholder. Unless Proof of Good Health is required, the requested coverage will be in force on:

a. the date you are eligible, if the request is made on or before that date; or

b. the first of the calendar month following the date of your request, if the request is made within 31 days after the date you are eligible.

If the request is made more than 31 days after the date you are eligible, Proof of Good Health will be required before coverage can be in force.

Effective Date When Proof of Good Health is Required

Coverage for which Proof of Good Health is required will be in force on the later of:

a. the date coverage would have been effective if Proof of Good Health had not been required; or

b. the first of the calendar month following the date Proof of Good Health is approved by the Planholder.

Proof of Good Health Requirements

The type and form of required Proof of Good Health will be determined by the Planholder. You must submit Proof of Good Health:

a. If coverage for which you contribute a part is requested more than 31 days after the date you are eligible.

b. If you have failed to provide required Proof of Good Health or have been refused coverage under the Group Plan at any prior time.

c. If you elect to terminate coverage and, more than 31 days later, request to be covered again.
Effective Date for Benefit Changes Due to a Change in Weekly Earnings

Unless Proof of Good Health is required (see above), a change in Benefit Payable amount because of a change in your Weekly Earnings will normally be effective on the date of change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

Effective Date for Benefit Changes Due to a Change in Coverage Class

Unless Proof of Good Health is required (see above), a change in Benefit Payable amount because of a change in your coverage class will normally be effective on the date of the change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.

Effective Date for Benefit Changes - Change by Plan Amendment

Unless Proof of Good Health is required (see above), a change in the amount of your Benefit Payable because of a change in the Benefit Payable by amendment to the Group Plan will be effective on the date of change. However, if you are not Actively at Work on the date a Benefit Payable change would otherwise be effective, the Benefit Payable change will not be in force until the date you return to Active Work.
HOW TO BE COVERED
SHORT TERM DISABILITY COVERAGE

Termination, Continuation, and Reinstatement

Termination of Coverage

Your coverage will terminate on the earliest of:

a. the date the Group Plan is terminated; or
b. the date the last contribution is made for your coverage; or
c. for contributory coverage, any date desired, if requested by you before that date; or
d. the date you cease to be a Member as defined; or
e. the date you cease to be in a class for which Member coverage is provided; or
f. the date you cease Active Work except as provided below.

Termination of coverage for any reason described above will not affect your rights to benefits, if any, for a Disability that begins while your coverage is in force under the Group Plan. You are considered to be continuously Disabled if you are Disabled from one condition and, while still Disabled from that condition, incur another condition that causes Disability.

Continuation

You may qualify to have your coverage continued under one or more of the continuation provisions below. If you qualify for continuation under more than one provision, the longest period of continuation will be applied, and all periods of continuation will run concurrently.

Continuation and Reinstatement - Sickness, Injury, or Pregnancy

If you cease Active Work due to sickness, injury, or pregnancy, your coverage can be continued subject to contribution, until the earliest of:

a. the date coverage would otherwise terminate as provided in items a. through e. above; or
b. the end of the calendar month in which you recover; or
c. the date 27 weeks after Active Work ends.

If a Benefit Payment Period is established, your coverage will be reinstated if you return to Active Work for the Planholder within six months of the date the Benefit Payment Period ends. Your reinstated coverage will be in force on the date of return to Active Work.

If you do not qualify to have a Benefit Payment Period begin, coverage will be reinstated if you return to Active Work for the Planholder within six months of the date coverage ceased. Your reinstated coverage will be in force on the date of return to Active Work.

Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had you remained continuously covered.
Continuation and Reinstatement - Layoff or Leave of Absence

If you cease Active Work due to layoff or leave of absence, your coverage can be continued, subject to contribution, until the earlier of:

a. the date coverage would otherwise terminate as provided in items a. through e. above; or
b. for leave of absence, 30 days after Active Work ends; or

c. for layoff, the date Active Work ends.

Your coverage will be reinstated if you return to Active Work for the Planholder within six months of the date coverage ceased. Your reinstated coverage will be in force on the date of return to Active Work.

A longer reinstatement period may be allowed for an approved leave of absence taken in accordance with the provisions of the federal law regarding Uniform Services Employment and Reemployment Rights Act of 1994 (USERRA).

Proof of Good Health will be required to place in force any Benefit Payable that would have been subject to Proof of Good Health had you remained continuously covered.

Continuation and Reinstatement - Family and Medical Leave Act (FMLA)

If you cease Active Work due to an approved leave of absence under FMLA, the Planholder may choose to continue your coverage, subject to contribution, until the date either 12 weeks or 26 weeks, as determined by law, after Active Work ends.

Your terminated coverage may be reinstated in accordance with the provisions of FMLA.
DESCRIPTION OF BENEFITS

Benefit Qualification

You will qualify for Disability benefit, if all of the following apply:

a. You are Disabled under the terms of the Group Plan.
b. Disability begins while you are covered under the Group Plan.
c. Your Disability is not subject to any of the Limitations listed in this booklet.
d. An Elimination Period is completed.
e. A Benefit Payment Period is established.
f. You are under the Regular and Appropriate Care of a Physician.
g. The claim requirements listed in the CLAIM PROCEDURES Section are satisfied.

An Elimination Period will start on the date you become Disabled. The Elimination Period will be completed and a Benefit Payment Period established on the later of the:

a. 8th day if the Disability is Due to Injury; or
b. 8th day if the Disability is Due to Sickness; or
c. first day of Hospitalization if you are Hospitalized for any Disability; or
d. the date your accumulated sick leave expires.

Note: For pregnancy claims for Class 1 and Class 3 Members: STD benefits and sick leave paid by the Planholder may be integrated (see definition of Other Income Sources).
DESCRIPTION OF BENEFITS
Benefits Payable

If you are not working during a period of Disability
Your Benefit Payable for each full week of a Benefit Payment Period will be your Primary Benefit less Other Income Sources.

If you are working during a period of Disability
Your work incentive Benefit Payable for each full week of a Benefit Payment Period will be the lesser of:

a. 100% of Predisability Earnings less Other Income Sources, less Current Earnings from your Own Job or any job; or

b. The Primary Benefit less Other Income Sources.

Minimum Weekly Benefit
The weekly Benefit Payable will not be less than $15 for each full week of a Benefit Payment Period, except that the Planholder will have the right to reduce the Minimum Weekly Benefit by any prior benefit overpayment.
DESCRIPTION OF BENEFITS
Rehabilitation Services and Benefits

Rehabilitation Services and Benefits

While you are Disabled and covered under the Group Plan, you may qualify to participate in a Rehabilitation Plan and receive Rehabilitation Services and Benefits. The Claims Administrator will work with you and others as appropriate, to develop an individualized Rehabilitation Plan intended to assist you in returning to work.

Rehabilitation Services

While you are Disabled under the terms of the Group Plan, you may qualify for Rehabilitation Services. If you, the Planholder, and the Claims Administrator agree in writing on a Rehabilitation Plan in advance, the Planholder may pay a portion of reasonable expenses. The goal of the plan will be to return you to work.

Any rehabilitation assistance must be approved in advance by the Planholder and outlined in a Rehabilitation Plan. The Benefit Payable as described in the booklet (subject to the terms and conditions of the Group Plan) will continue, unless modified by the Rehabilitation Plan. Rehabilitation assistance may include, but is not limited to:

a. coordination of medical services;

b. vocational and employment assessment;

c. purchasing adaptive equipment;

d. business/financial planning;

e. retraining for a new occupation;

f. education expenses.

The Claims Administrator will periodically review the Rehabilitation Plan and your progress and the Planholder will continue to pay for the agreed upon expenses as long as the Claims Administrator determines that the Rehabilitation Plan is providing the necessary action to return you to work.

The Planholder may require you to participate in an individualized Rehabilitation Plan at the Planholder’s expense. If you refuse to participate in or do not comply with the Rehabilitation Plan without good cause, all benefits will cease to be payable. As used in this section, "good cause" means a medical reason preventing implementation of the Rehabilitation Plan.

Predisability Intervention Services

Rehabilitation Services may be offered if you have not yet become Disabled under the terms of the Group Plan, provided you have a condition which has the potential of resulting in the inability to perform the Substantial and Material Duties of your Own Job.
DESCRIPTION OF BENEFITS

Survivor Benefit

If your Benefit Payment Period ends because of your death, a Survivor Benefit will be payable. This Survivor Benefit will be three times your Primary Benefit.

The Planholder will pay the Survivor Benefit to your spouse, child, parent, or estate as described in the CLAIM PROCEDURES Section.
DESCRIPTION OF BENEFITS

Weekly Payment Limit

In no event will the sum of the amounts payable for:

a. Benefits Payable as described in this booklet; and

b. income from Other Income Sources; and

c. Current Earnings from your Own Job or any job;

exceed 100% of Predisability Earnings. In the event your total income from all sources listed above exceeds 100% of Predisability Earnings, the benefits as described in this booklet will be reduced by the amount in excess of 100% of Predisability Earnings.
DESCRIPTION OF BENEFITS

Benefit Payment Period and Recurring Disability

Benefit Payment Period

Benefits are payable for a period of 26 weeks after the date the Benefit Payment Period begins.

However, in no event, will benefits continue beyond:

a. the date of your death; or
b. the date your Disability ends, unless a Recurring Disability exist as explained in this booklet; or
c. the date you fail to provide any required proof of Disability; or
d. the date you fail to submit to any required medical examination or evaluation; or
e. the date you fail to report any required Current Earnings information; or
f. the date you fail to report income from Other Income Sources; or
g. the date ten days after receipt of notice from the Planholder if you fail to pursue Social Security Benefits or benefits under a Workers' Compensation Act or similar law as described in this booklet; or
h. the date you cease to be under the Regular and Appropriate Care of a Physician; or
i. the date you refuse to participate in or do not comply with a Rehabilitation Plan.

Recurring Disability

A Recurring Disability will exist under the Group Plan if:

a. after you have completed an Elimination Period and during a Benefit Payment Period, you cease to be Disabled; and
b. you then return to Active Work; and
c. while covered under the Group Plan, but before completing 30 continuous days of Active Work, you are again Disabled; and
d. your current Disability and the Disability for which you completed the Elimination Period result from the same or a related cause.

A Recurring Disability will be treated as if the initial Disability had not ended, except that no benefits will be payable for the time between Disabilities. You will not be required to complete a new Elimination Period for a Recurring Disability and a new Benefit Payment Period will not be established. Benefits will be payable from the first day of each Recurring Disability, but only for the remainder, if any, of the Benefit Payment Period established for the initial Disability. The effective date of any salary increase received during return to Active Work as stated in this
booklet on page 5 which would otherwise be effective, will not be applicable to any benefit payable under this Recurring Disability provision.
DESCRIPTION OF BENEFITS

Limitations

No benefits will be paid for any Disability that:

a. results from willful self-injury or self-destruction, while sane or insane; or

b. results from war or act of war; or

c. results from voluntary participation in an assault, felony, criminal activity, insurrection, or riot; or

d. is a new Disability that begins after a prior Benefit Payment Period has ended or a claim for benefits has been denied and you have not returned to Active Work; or

e. is a continuation of a Disability for which a Benefit Payment Period has ended or a claim for benefits has been denied and you have not returned to Active Work (except as provided for a Recurring Disability in this booklet); or

f. results from a sickness or injury arising out of or in the course of employment for wage or profit; or

g. results from a cosmetic surgery or other elective procedures that are not medically necessary.

Replacement of a Prior Plan

Applicability

When coverage under this Group Plan replaces coverage under a Prior Plan, this benefit may apply to you if you are eligible and enrolled under this Group Plan and are not Actively at Work when your coverage would otherwise become effective.

Benefit Eligibility

You will qualify for this benefit provided all of the following apply:

a. You had disability coverage under a Prior Plan, which terminated on the date immediately preceding the date you became eligible under this Group Plan.

b. You are not receiving any benefits under the Prior Plan but would have been entitled to benefits had the Prior Plan remained in force.

c. No provision other than the Actively at Work provision(s) would prohibit benefits being paid to you under this Group Plan.
Benefits Payable

The benefits payable, if any, under this provision, will be the lesser of the benefits and plan provisions of this Group Plan or the benefits and plan provisions that would have been paid under the Prior Plan had it remained in force, including any benefits for a recurring claim. No benefits will be paid for:

a. any Disability that occurs before the date of establishment of this Group Plan; or

b. any Disability for which benefits would have been paid under the Prior Plan in the absence of this section.
CLAIM PROCEDURES

Notice of Claim

Written notice of claim must be given to the Claims Administrator within 20 days after the date of loss for which claim is being made. If it is not possible to give proof within 20 days, it must be given no later than one year after the time proof is required except in the absence of legal capacity.

Claim Forms

Claim forms and other information needed to provide proof of Disability must be filed with the Plan Administrator in order to obtain payment of benefits. The Planholder will provide appropriate claim forms to assist you in filing claims. If the forms are not provided within 15 days after the Planholder receives notice of claim, you will be considered to have complied with the requirements of the Group Plan regarding proof of Disability upon submitting, within the time specified below for filing proof of Disability, written proof covering the occurrence, character and extent of the loss.

Proof of Disability

Claim forms and other information needed to prove Disability should be filed promptly. Written proof that Disability exists and has been continuous must be sent to the Claims Administrator within 90 days after the date you complete an Elimination Period. Proof required includes the date, nature, and extent of the loss. Further proof that Disability has not ended must be sent when requested by the Claims Administrator. The Claims Administrator may request additional information to substantiate your loss or require a signed unaltered authorization to obtain that information from the provider. The Claims Administrator reserves the right to determine when these conditions are met. Your failure to comply with such request could result in declination of the claim. Receipt of claim will be considered to be met when the Elimination Period has been completed and the Claims Administrator receives the appropriate claim form.

Documentation of Loss

The Claims Administrator must receive satisfactory written proof of loss. Until the proof of loss requested is received, benefits will not be paid. Proof of loss may include:

a. Any requested claim form including claim forms from you or your Physician.

b. Documentation that you are under Regular and Appropriate Care by a Physician.

c. Copies of medical records, test results and/or Physician’s progress notes.

d. Occupation information, such as documentation of work duties and activities. This may include your job description or appointment calendar.

e. Independent medical examination(s) (see Examinations and Evaluations in this section).

f. A written authorization, signed by you, on a form supplied by the Claims Administrator, to obtain records and information needed to determine your eligibility for benefits.

g. Other proof of loss as required by the Planholder.
Earnings Documentation

The Planholder may require proof to determine your Predisability Earnings and Current Earnings. A representative has the right to examine your financial and business records, including your Federal income tax returns and supporting documentation, as often as the Planholder may require.

Investigation of Your Claim

The Planholder may conduct an investigation of your claim at any time, which may include a personal interview with a representative and/or an examination under oath. Benefits may not be payable until reasonable time to conduct an investigation of your claim and determine that benefits are payable has occurred.

Any costs involved in submission of proof of loss or earnings documentation are your responsibility to pay, except for costs incurred by the Planholder for items c. and e. as shown under Documentation of Loss above or personal interview or financial examination.

Once your claim is approved, no benefits will be continued beyond the end of the period for which you have provided satisfactory proof of loss. The Planholder will require you to provide additional documentation of your claim, at your expense, at reasonable intervals while you are claiming Disability.

Proof of Disability while outside the United States

If during a period of Disability, you are residing or staying outside the United States, the following will apply:

a. Any evidence you submit for your claim will be required to be translated by the U.S. Embassy and contain the U.S. Embassy seal.

b. You may be required to return to the United States at a frequency the Planholder deems necessary to substantiate your claim for Disability. All expenses incurred by you for returning to the United States will be your responsibility.

c. You must notify the Planholder in advance of any return to the United States and your change of address.

Your failure to comply with such request could result in declination of the claim. Receipt of claim will be considered to be met when the Elimination Period has been completed and the Claims Administrator receives the appropriate claim form.

Payment, Denial, and Review

The plan permits up to 45 days from receipt of claim for processing the claim. If a claim cannot be processed due to incomplete information, the Claims Administrator will send a written explanation prior to the expiration of the 45 days. A claimant is then allowed up to 45 days to provide all additional information requested. The Claims Administrator is permitted two 30-day extensions for processing an incomplete claim. Written notification will be sent to a claimant regarding the extension.

In actual practice, benefits under the Group Plan will be payable sooner, provided the Claims Administrator receives complete and proper proof of Disability. Further, if a claim is not payable
or cannot be processed, the Claims Administrator will submit a detailed explanation of the basis for its denial.

A claimant may request an appeal of a claim denial by written request to the Claims Administrator within 180 days of the receipt of notice of the denial. The Claims Administrator will make a full and fair review of the claim. The Claims Administrator may require additional information to make the review. The Claims Administrator will notify a claimant in writing of the appeal decision within 45 days after receipt of the appeal request. If the appeal cannot be processed within the 45 day period because the Claims Administrator did not receive the requested additional information, the Claims Administrator is permitted a 45-day extension for the review. Written notification will be sent to a claimant regarding the extension. After exhaustion of the formal appeal process, the claimant may request an additional appeal. However, this appeal is voluntary and does not need to be filed before asserting rights to legal action.

For purposes of this section, "claimant" means Member.

Report of Payments from Other Income Sources

When asked, you must give the Planholder:

a. a report of all payments from Other Income Sources; and

b. proof of application for all such income for which you and your Dependents are eligible; and

c. proof that any application for such income has been rejected.

Lump sum Payments from Other Income Sources

If any income from Other Income Sources are payable in a lump sum, (except as described below) the lump sum will be deemed to be paid in weekly amounts prorated over the time stated. If no such time is stated, the lump sum will be prorated weekly over your expected life span. The Planholder will determine the expected life span.

Lump Sum Payments under:

a. a retirement plan will be deemed to be paid in the weekly amount which:

   (1) is provided by the standard annuity option under the plan as identified by the Planholder; or

   (2) is prorated under a standard annuity table over your expected life span (if the plan does not have a standard annuity option);

b. a Workers’ Compensation Act or other similar law (which includes benefits paid under an award or settlement) will be deemed to be paid weekly:

   (1) at the rate stated in the award or settlement; or

   (2) at the rate paid prior to the lump sum (if no rate is stated in the award or settlement); or

   (3) at the maximum rate set by the law (if no rate is stated and you did not receive a periodic award).
Social Security Estimates

Until exact amounts are known, the Planholder may estimate the Social Security benefits for which you and your Dependents are eligible and may include those estimates in your Other Income Sources.

If it is reasonable that you would be entitled to disability benefits under the Federal Social Security Act, the Planholder will require that you:

a. apply for disability benefits within ten days after receipt of written notice from the Planholder requesting you to apply for such benefits; and

b. give satisfactory proof within 30 days after receipt of written notice from Planholder that you have applied for these benefits within the ten-day period; and

c. request reconsideration of the application for Social Security benefits if the original application is denied, and appeal any denial or reconsideration if an appeal appears reasonable.

Workers' Compensation and Other Disability Coverage Estimates

Until exact amounts are known, the Planholder may estimate the Workers' Compensation benefits and other disability coverage that provides benefits for loss of time from work that are attributable to employer contributions in whole or in part or makes payroll deductions for which you are eligible and may include those estimates in your Other Income Sources.

If it is reasonable that you would be entitled to benefits under a Workers' Compensation or a similar law and other disability coverage, the Planholder will require that you:

a. apply for benefits within ten days after receipt of written notice from the Planholder requesting you to apply for such benefits; and

b. give satisfactory proof within 30 days after receipt of written notice from the Planholder that you have applied for these benefits within the ten-day period.

Payments for Less Than a Full Week

The Benefit Payable for each day of any part of a Benefit Payment Period that is less than a full week will be the weekly benefit divided by seven.

Right to Recover Overpayments

If an overpayment of benefits occurs under the Group Plan, the Planholder will have the option to:

a. reduce or withhold any future benefits the Planholder determines to be due, including the Minimum Weekly Benefit; or

b. recover the overpayment directly from you; or

c. take any other legal action.
Facility of Payment

Benefits under the Group Plan will be payable at the end of each week of a Benefit Payment Period, provided complete and proper proof of Disability has been received by the Planholder. The Planholder will have the option to issue Benefits Payable in a lump sum amount.

Any unpaid balance that remains after a Benefit Payment Period ceases will be immediately payable.

The Planholder will normally pay benefits directly to you. However, in the special instances listed below, payment will be as indicated. All payments so made will discharge the Planholder to the full extent of those payments.

a. If payment amounts remain due upon your death, those amounts may, at the Planholder's option, be paid to your spouse, child, parent, or estate.

b. If the Planholder believes a person is not legally able to give a valid receipt for a benefit payment, and no guardian has been appointed, the Planholder may pay whoever has assumed the care and support of the person.

Examinations and Evaluations

The Planholder has the right to require you to undergo medical evaluations, functional capacity evaluations, vocational evaluations, and/or psychiatric evaluations during the course of a claim. The examinations or evaluations will be performed by a Physician or evaluator the Planholder chooses as appropriate for the condition and will be conducted at the time, place and frequency the Planholder reasonably requires. The Planholder will pay for those examinations and evaluations and will choose the Physician or evaluator to perform them. Failure to attend a medical examination or cooperate with the Physician may be cause for suspension or denial of your benefits. Failure to attend an evaluation or to cooperate with the evaluator may also be cause for suspension or denial of your benefits. If you fail to attend an examination or evaluation, any charges incurred for not attending an appointment as scheduled may be your responsibility.

Legal Action

Legal action to recover benefits under the Group Plan may not be started earlier than 90 days after proof of Disability is filed and before the appeal procedures have been exhausted. Further, no legal action may be started later than three years after that proof is required to be filed.

Time Limits

All time limits listed in this section will be adjusted as required by law.
DEFINITIONS

Several words and phrases used to describe your coverage are capitalized whenever they are used in this booklet. These words and phrases have special meanings as explained in this section.

Active Work; Actively at Work

You are considered Actively at Work if you are engaged in the active performance of all of your regular duties with the intent of continuing the active performance of all said duties on an ongoing basis. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, personal time off, or an approved FMLA leave of absence for the care of a qualified family member is considered Active Work provided you are able and available for active performance of all of your regular duties and were working the day immediately prior to the date of your absence.

Benefit Payment Period

The period of time during which benefits are payable.

Claims Administrator

Principal Life Insurance Company.

Class Descriptions

Class 1: Full-time Members represented by AFSCME
Class 2: Full-time Members represented by ATU or SEIU
Class 3: Full-time non-represented Members
Class 4: Part-time non-represented Members and part-time Members represented by ATU

Current Earnings

Your Weekly Earnings for each week you are Disabled. This includes all sources of income from the Planholder that comprised earnings prior to Disability such as Personal Time Off (PTO), and sick pay. Earnings from Secondary Employment are not considered Current Earnings except as identified in Secondary Earnings. While disabled, your Weekly Earnings may result from working for the Planholder or any other employer.

Dependent

Any person who qualifies for benefits as a dependent under the Federal Social Security Act as a result of your Disability or retirement, whether or not residing in your home.

Disability; Disabled

You will be considered Disabled if, solely and directly because of sickness, injury, or pregnancy, one of the following applies:

a. You cannot perform the majority of the Substantial and Material Duties of your Own Job.

b. You are performing the duties of your Own Job on a Modified Basis or any job and are unable to earn more than 80% of your Predisability Earnings.
The loss of a professional or occupational license or certification does not, in itself, constitute a Disability.

**Disability Due to Injury**

A Disability that:

a. occurs solely and directly because of an accidental injury; and

b. begins within 180 days of the accident.

An accidental injury means an injury that results solely from external, violent, and unintentional means.

**Disability Due to Sickness**

A Disability that:

a. occurs directly or indirectly because of disease, a Mental Health Condition, alcohol, drug or chemical abuse, dependency, or addiction; or

b. is not a Disability Due to Injury as defined in this booklet.

**Elimination Period**

The period of time you must be Disabled before benefits begin to accrue. An Elimination Period starts on the date you are Disabled and must be satisfied for each period of Disability. You cannot satisfy any part of the Elimination Period with any period of Disability that results from a cause for which the Planholder does not pay benefits.

**Employee**

A person who is employed by and receives a W-2 from the Planholder or has a direct ownership interest in the Planholder.

**Generally Accepted**

Treatment, service or medication that:

a. has been accepted as the standard of practice according to the prevailing opinion among experts as shown by (or in) articles published in authoritative, peer-reviewed medical, and scientific literature; and

b. is in general use in the medical community; and

c. is not under continued scientific testing or research as a therapy for the particular sickness or injury which is the subject of the claim.

**Group Plan**

The group plan established by the Planholder, which describes benefits and provisions for covered Members.
**Hospital**

An institution that is licensed as a Hospital by the proper authority of the state in which it is located, but not including any institution, or part thereof, that is used primarily as a clinic, convalescent home, rest home, home for the aged, nursing home, custodial care facility, or training center.

**Hospitalization; Hospitalized**

The period of time you are confined:

a. in a Hospital as a registered bed patient (for any cause); or

b. in a licensed birthing center for obstetrical delivery; or

c. while undergoing outpatient surgery at a Hospital or freestanding ambulatory surgery center that requires the services of an anesthesiologist, for other than local or digital anesthesia.

**Income Loss Percentage**

Your Income Loss Percentage is equal to:

a. your Predisability Earnings less any Current Earnings from your Own Job or any job; divided by

b. your Predisability Earnings.

**Maximum Weekly Benefit**

$1,173. This amount is subject to change annually based on the state’s average weekly wage.

**Member**

Any Class 1, 2, or 3 person, residing in the United States, who is a U.S. citizen or is legally working in the United States, who is a full-time Employee of the Planholder and who regularly works at least 30 hours a week. Work must be at the Planholder's usual place or places of business, at an alternative worksite at the direction of the Planholder, or at another place to which the Employee must travel to perform his or her regular duties. This excludes any person who is scheduled to work for the Planholder on a seasonal, temporary, contracted, or part-time basis. A person is considered to be residing in the United States if his or her main home or permanent address is in the United States or if the person is in the United States for six months or more during any 12-month period.

Member will also include any Class 4 person, residing in the United States, who is a U.S. citizen or is legally working in the United States, who is an Employee of the Planholder and who regularly works at least 20 hours a week. Work must be at the Planholder's usual place or places of business, at an alternative worksite at the direction of the Planholder, or at another place to which the Employee must travel to perform his or her regular duties. This excludes any person who is scheduled to work for the Planholder on a seasonal, temporary, or contracted basis. A person is considered to be residing in the United States if his or her main home or permanent address is in the United States or if the person is in the United States for six months or more during any 12-month period.
Mental Health Condition

Any condition which is:

a. manifested by a psychiatric disturbance including, but not limited to, a biologically or chemically based disorder; and

b. categorized in the current edition of American Psychiatric Associations Diagnostic and Statistical Manual of Mental Disorders or its successor.

Conditions not considered a Mental Health Condition include:

a. dementia that is the result of any of the following conditions:
   (1) stroke;
   (2) head injury;
   (3) viral infection; or
   (4) Alzheimer’s disease; and

b. organic brain syndrome; and

c. delirium; and

d. organic amnesia syndromes; and

e. organic delusional or organic hallucinogenic syndromes.

Modified Basis

You will be considered working on a Modified Basis if you are working on either a part-time basis or performing some but not all of the Substantial and Material Duties of the job on a full-time basis.

Other Income Sources

The Weekly equivalent of:

a. all disability payments for the month that the you and your Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and

b. for a Member who has reached Social Security Normal Retirement Age or older, all retirement payments for the month that you and your Dependents receive (or would have received if complete and timely application had been made) under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and

c. for a Member who is less than Social Security Normal Retirement Age, all retirement payments for the month that you and your Dependents receive under the Federal Social Security Act, Railroad Retirement Act, or any similar act of any federal, state, provincial, municipal, or other governmental agency; and
d. all payments for the month that you receive from a permanent or temporary award or settlement under a Workers' Compensation Act, or other similar law, whether or not liability is admitted. Payments that are specifically set out in an award or settlement as medical benefits, rehabilitation benefits, income benefits for fatal injuries or income benefits for scheduled injuries involving loss or loss of use of specific body members will not be considered an Other Income Source; and

e. all payments for the month that you receive (or would have received if complete and timely application had been made) under a policy that provides benefits for loss of time from work, if your Planholder pays a part of the cost or makes payroll deductions for that coverage; and

f. all payments for the month that you receive or are eligible to receive under another group disability plan; and

g. all payments for the month that the Member receives under any state disability plan; and

h. all sick pay (except for AFSCME and non-represented employees disabled due to pregnancy), salary continuance payments, personal time off other than vacation, or severance pay for the month that you receive from the Planholder; and

i. all retirement payments attributable to employer contributions and all disability payments attributable to employer contributions for the month that the Member receives under a pension plan sponsored by the Planholder. A pension plan is a defined benefit plan or defined contribution plan providing disability or retirement benefits for employees. A pension plan does not include a profit sharing plan, a thrift savings plan, a nonqualified deferred compensation plan, a plan under Internal Revenue Code Section 401(k) or 457, an Individual Retirement Account (IRA), a Tax Deferred Sheltered Annuity (TSA) under Internal Revenue Code Section 403(b), a stock ownership plan, or a Keogh (HR-10) plan with respect to partners; and

j. all payments for the month that you receive for loss of income under no-fault auto laws. Supplemental disability benefits purchased under a no-fault auto law will not be counted; and

k. all renewal commissions for the month that the Member receives from the Planholder; and

l. all payments for the month that you receive under state unemployment laws.

NOTE:
If any sick pay, salary continuance payments, personal time off, severance pay, or loss of time from work payments specified above are attributable to individual disability plans, the payments will not be considered an Other Income Source.

Any retirement payments you receive under the Federal Social Security Act or a pension plan which you had been receiving in addition to your Weekly Earnings prior to a claim for Disability, will not be considered an Other Income Source.

Military or Veteran’s Administration disability or retirement payments will not be considered an Other Income Source.
After the initial deduction for each of the Other Income Sources, benefits will not be further reduced due to any cost of living increases payable under the above stated sources.

Withdrawal of pension plan benefits by you for the purpose of placing the benefits in a subsequent pension plan or a deferred compensation plan will not be considered an Other Income Source unless you withdraw pension benefits from the subsequent pension plan or defined compensation plan due to disability or retirement.

If any income specified above is payable in a monthly payment, the weekly equivalent will be calculated by multiplying the monthly benefit by 12 and dividing by 52.

Any income you receive for services rendered prior to your date of Disability will not be considered Other Income Sources.

For Disability resulting from pregnancy for Class 1 and 3 Members:

Sick pay, annual or personal leave pay, severance pay, or other salary continuation (but not vacation pay) paid to you by the Planholder, as determined below:

a. Determine the amount of your STD benefit as if there were no Other Income Sources, and add your sick pay or other salary continuation to that amount.

b. Determine 100% of your Predisability Earnings.

c. If a. is greater than b., the difference will be considered Other Income Sources.

Own Job

The job you are routinely performing for the Planholder when your Disability begins.

Physician

a. a licensed Doctor of Medicine (M.D.) or Osteopathy (D.O.); or

b. any other licensed health care practitioner that state law requires be recognized as a Physician under the Group Plan.

The term Physician does not include you, one of your employees, your business or professional partner or associate, any person who has a financial affiliation or business interest with you, anyone related to you by blood or marriage, or anyone living in your household.

Planholder

San Francisco Bay Area Rapid Transit District

Predisability Earnings

Your Weekly Earnings in effect prior to the date Disability begins.

Primary Benefit

66 2/3% of your Predisability Earnings. The Primary Benefit will not exceed the Maximum Weekly Benefit of $1,173. This amount is subject to change based on the state’s average weekly wage.
**Prior Plan**

The Group Short Term Disability coverage of either:

a. the Planholder; or

b. a business entity which has been obtained by the Planholder through a merger or acquisition; or

c. an individual disability worksite plan;

for which this Group Plan is a replacement.

**Proof of Good Health**

Written evidence that a person is coverable according to the standards of the Planholder. This proof must be provided in a form satisfactory to the Claims Administrator.

**Regular and Appropriate Care**

You will be considered to be receiving Regular and Appropriate Care if you:

a. are evaluated in person by a Physician; and

b. receive treatment appropriate for the condition causing the Disability; and

c. undergo evaluations and treatment that is provided by a Physician whose specialty is appropriate for the condition causing the Disability; and

d. undergo evaluations and treatment at a frequency intended to return you to full time work; and

e. pursue reasonable treatment options or recommendations to achieve maximum medical improvement.

The Planholder may require you to have your Physician provide a written evaluation and treatment plan for the condition causing the Disability, which meets Generally Accepted medical standards and is satisfactory to the Planholder.

The Planholder may waive, in writing to you, the Regular and Appropriate Care requirement if it is determined by the Planholder that continued care would be of no benefit to you.

**Rehabilitation Plan**

An individualized written agreement between you, the Planholder, and the Claims Administrator, developed with your assistance, and the assistance of others as appropriate. The Rehabilitation Plan may include medical, psychological, or vocational services and benefits, which are provided with the intent to restore your ability to perform your Own Job or any job which you are or could reasonably become qualified by education, training, or experience.
Secondary Employment

Employment you are engaged in with an employer, other than the Planholder, prior to the date Disability begins. Earnings from Secondary Employment will be determined by using the average weekly earnings over the six calendar months just prior to the date of Disability. Any post disability increase above the average weekly earnings will be considered Current Earnings.

Social Security Normal Retirement Age (SSNRA)

Social Security Normal Retirement Age as defined by the Social Security Administration on the date Disabled.

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Normal Retirement Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1938</td>
<td>65</td>
</tr>
<tr>
<td>1938</td>
<td>65 and 2 months</td>
</tr>
<tr>
<td>1939</td>
<td>65 and 4 months</td>
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<tr>
<td>1940</td>
<td>65 and 6 months</td>
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<tr>
<td>1941</td>
<td>65 and 8 months</td>
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<tr>
<td>1942</td>
<td>65 and 10 months</td>
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<td>1943-1954</td>
<td>66</td>
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<td>1955</td>
<td>66 and 2 months</td>
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<td>1956</td>
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<tr>
<td>1958</td>
<td>66 and 8 months</td>
</tr>
<tr>
<td>1959</td>
<td>66 and 10 months</td>
</tr>
<tr>
<td>After 1959</td>
<td>67</td>
</tr>
</tbody>
</table>

Substantial and Material Duties

The essential tasks generally required by employers from those engaged in a particular job that cannot be modified or omitted.

Weekly Earnings

For Members with no ownership interest in the business entity of the Planholder:

On any date, your basic weekly (or weekly equivalent) wage then in force, as established by the Planholder. Basic wage does not include commissions, bonuses, stock options, tips, differential pay, housing and/or car allowance, or overtime pay. Basic wage does include any deferred earnings under a qualified deferred compensation plan, such as contributions to Internal Revenue Code Section 401(k), 403(b), or 457 deferred compensation arrangements, and any amount of voluntary earnings reduction under a qualified Section 125 Cafeteria Plan or Health Savings Account.

For Members with ownership interest in the business entity of the Planholder, such as an owner of a sole proprietorship, a partner in a partnership, a shareholder of a corporation or subchapter S-corporation, or a member of a limited liability company or limited liability partnership, Weekly Earnings on any date are based on an average of the following earnings as reported for Federal Income Tax purposes for the last two calendar year(s), assuming the owner meets all eligibility requirements:

a. Your share (based on ownership or contractual agreement) of the gross revenue or income earned by the Planholder, including income earned by you and others under your supervision or direction; less
b. Your share (based on ownership or contractual agreement) of the usual and customary unreimbursed business expenses of the Planholder which are incurred on a regular basis, are essential to the established business operation of the Planholder, are deductible for Federal Income Tax purposes, and do not exceed the expenses before Disability began; plus

c. The salary, benefits, and other forms of compensation which are payable to you, and any contributions to a pension or profit sharing plan made on your behalf by the Planholder.

With respect to a Member with an ownership interest of less than two calendar year(s), the amounts of a., b., and c. as described above during the completed weeks of direct ownership divided by the number of such completed weeks of direct ownership will be used.

Weekly Earnings do not include any form of unearned income such as dividends, rent interest, capital gains, income received from any form of deferred compensation, retirement, pension plan, income from royalties, or disability benefits.