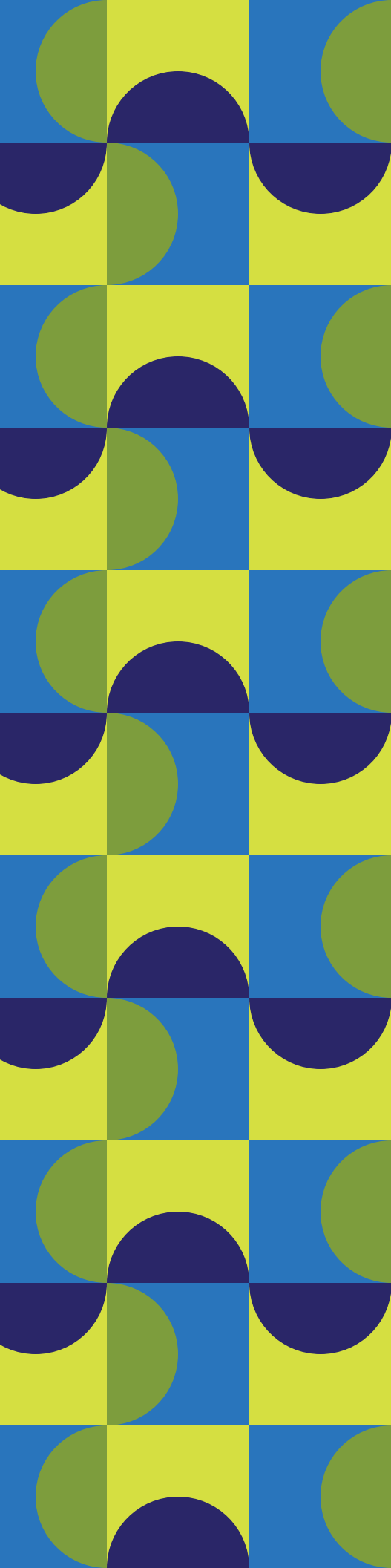


Your Group Short-Term Disability Program



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C O N F E R E N C E

Michigan Catholic Conference Short-Term Disability Income Program Certificate of Coverage

This Certificate serves as an explanation of the Short Term Disability Income Program administered by the Michigan Catholic Conference

510 South Capitol Avenue
Lansing, Michigan 48933

(800) 395-5565
micatholic.org

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Michigan Catholic Conference Short-Term Disability Program

Michigan Catholic Conference (Plan Administrator) offers this Short-Term Disability (STD) Program for the benefit eligible employees of all participating units throughout the Ecclesiastical Province of Detroit as well as other Covered Units as described (hereinafter “units”).

This Short-Term Disability Program provides financial protection to eligible employees by paying a portion of their income while they are disabled. STD income benefits are based on the eligible employee’s Earnings as reported to the Plan Administrator before disability began.

Benefits at a Glance

Covered Employee(s)

All Eligible Employees in active employment at a Covered Unit.

Benefit Waiting Period

14 consecutive calendar day

Who Pays for the Coverage

Covered Units pay for the Eligible Employees’ coverage. STD income benefits are taxable.

Biweekly STD Income Benefit

66 ⅔% of biweekly Earnings

Maximum Benefit

\$1,860 per week.

Definition of Terms

Actively at Work

To be considered Actively at Work, an employee must be present:

- a. at the normal place of business of the Covered Unit; or
- b. at such place of business to which the Covered Unit requires you to travel.
- c. at home or other such place, if working remotely (must be verified by Covered Unit).

Benefit Waiting Period

The Benefit Waiting Period is the number of consecutive days from the date a period of Total Disability begins to the date the Income Benefit is first payable. **The Benefit Waiting Period through the MCC Short-Term Disability Income Program is fourteen (14) consecutive calendar days.**

This period begins to run on the day after the later of:

- a. The last day you are Actively at Work before the date of total disability; or
- b. The date the total Disability began.

Contractual Employee

An otherwise benefit eligible employee who may elect to receive their annual contracted earnings over a 10-month or 12-month period (typically a teacher or other school employee).

Covered Unit

Covered Unit means a parish, school, institution, organization, corporation or other entity in the State of Michigan which is an integral part of the Catholic Church, engaged in carrying out the functions of the Catholic Church, and under the control of an Archbishop or Bishop of a Diocese in the Province of Detroit, unless the Archbishop or Bishop specifically exempts the unit from status as a Covered Unit. The Michigan Catholic Conference shall be a Covered Unit. Any parish, school, institution, organization, corporation or other entity listed within the Kenedy Directory which is an integral part of the Catholic Church and which is engaged in carrying out the functions of the Catholic Church, but which is not under the control of an Archbishop or Bishop of a Diocese in the Province of Detroit, may become a Covered Unit pursuant to a written agreement between its governing authority and the Michigan Catholic Conference. Determinations of the Covered Unit status for purposes of this Program shall be made by the Michigan Catholic Conference with approval of its Board of Directors. A determination that an entity is a “Covered Unit” for purposes of this Program shall not be binding upon the Michigan Catholic Conference for any other purpose.

Earnings

Earnings are the regular wages you receive from your employer before taxes and prior to any pre-tax contributions made to a qualified deferred compensation plan, Section 125 plan, health spending account or flexible spending account. Earnings include income actually paid from commissions, but **exclude** overtime, renewal commissions, bonus payments, or other extra compensation.

Commission actually paid, excluding renewal commissions, will be averaged for the lesser of:

- a. the 12 full calendar month period of your employment with your employer just prior to the date disability begins; or
- b. the period of actual employment with your employer.

Eligible Employee

To be an Eligible Employee you must be:

- a. A regular full-time employee who normally works 20 or more hours per week for a Covered Unit which has elected to be covered under this Program; and
- b. Actively at Work.

This Program **excludes**:

- a. Seasonal employee: an employee hired for a specific period of time of the year.
- b. Temporary employee: an employee hired for a short period of time (typically less than 6 months)
- c. Casual employee: an employee in position that works on an as needed basis
- d. Independent contractors
- e. Diocesan, Extern or Order priests
- f. Religious Sisters and brothers not receiving Earnings from Covered Unit.
- g. Seminararians

Income Benefit

Once your claim is reviewed and approved by the Plan Administrator, the Income Benefit payable to you is 66 ⅔% of your weekly Earnings, rounded to the next highest \$1.00 increment. Benefits are paid every two weeks according to MCC's STD pay schedule. Benefits shall not exceed the Maximum Income Benefit, nor shall be provided for longer than the Maximum Benefit Period.

Maximum Benefit Period

The Maximum Benefit Period is twenty-four (24) weeks and begins the day after the Benefit Waiting Period is completed, or until eligibility terminates.

Maximum Income Benefit

The Maximum Income Benefit is \$1,860.00 per week and may be reduced as provided in the "Non-Duplication of Income Benefits" section.

Plan Administrator

The Plan Administrator is the Michigan Catholic Conference, located at 510 South Capitol Avenue, Lansing, Michigan 48933. The telephone number is **(800) 395-5565**. The email address is **benefits@micatholic.org**.

The Plan Administrator has all power and authority (including the ability to use its discretion in the exercise of that power and authority) which is necessary or convenient to enable it to carry out its duties under the program. The Plan Administrator shall have the discretionary authority to interpret the provisions of this Program and the Plan Administrator's discretionary interpretation in good faith shall be final and conclusive on all persons claiming benefits under this Program. The Plan Administrator reserves the right to engage a third-party disability specialist to evaluate claims that may be of complex nature, for a second opinion, and/or for claims that are denied and appealed by claimant. The Plan Administrator reserves the right to amend and/or terminate this Program at any time.

Pre-Existing Condition

A Pre-Existing Condition is defined as an injury or illness for which medical treatment, consultation, care or services, including diagnostic measures, had been received or for which prescribed drugs or medications had been taken within 30 days prior to the effective date of enrollment.

Program

The term "Program" shall mean the Michigan Catholic Conference Short Term Disability Income Program.

Total Disability

You are disabled when the Plan Administrator determines that you are limited from performing the material and substantial duties of your regular occupation due to injury or sickness.

In determining whether you are disabled for purposes of this policy, generally accepted medical principles shall be used. Your disability must be verified by a physician's written statement and is also subject to verification by an independent medical review if required by the Plan Administrator.

1. **Total Disability** and **Totally Disabled** means your inability to perform the material and substantial duties of your own job due to Injury or Sickness which requires care of a Physician.
2. **Injury** means any accidental bodily injury which results in a Total Disability:
 - a. independently of all other causes; and
 - b. which begins within 90 days of the date of the accident.
3. **Sickness** means:
 - a. An organic disease;
 - b. injury resulting in Total Disability which begins more than 90 days after the date of the accident;
 - c. pregnancy and its complications;
 - d. alcoholism or drug addiction; or
 - e. mental illness as defined.
4. **Mental Illness** means mental, nervous or emotional diseases or disorders of any type which require the regular care of a medical or mental health professional.

General Provisions

Program Availability

The Michigan Catholic Conference Short Term Disability Program described in this booklet is provided to all Eligible Employees who work for a Covered Unit employer which has decided to participate in this program.

Pre-Existing Condition Exclusion

The Program will not cover any disability caused by, or contributed to, a Pre- Existing Condition or resulting from a Pre-Existing Condition until you have been Actively at Work for a period of at least five (5) days after becoming an Eligible Employee.

Effective Date of Coverage

Your coverage under the Program takes effect on the first day of the month following the day you become an Eligible Employee.

If you are absent from work on the day you would normally become eligible for coverage, then you will become eligible on the day you return to being Actively at Work.

Termination of Coverage

Your coverage ceases on the earlier of the date on which:

1. You terminate employment, except if your termination of employment was the result of your disability.
2. Premium payments made by your Covered Unit employer for you cease, unless premiums are being waived for you under the Program.
3. You cease to be an Eligible Employee, unless you only ceased to be an Eligible Employee as a result of your disability. However, your coverage will continue during a vacation, during an FMLA leave or

another approved leave of absence (other than as required by FMLA) of up to one month, or when you are not able to work due to a Total Disability.

4. Your employer Covered Unit terminates its participation in the Program or the Michigan Catholic Conference cancels your employer group's coverage under the Program. However, see "Effect of Termination of Group Coverage" below.
5. You have received 24 weeks of Income Benefits.
6. This Program terminates.

Effect of Termination of Group Coverage

Income Benefits will be paid to an Eligible Employee after the date the coverage cancels for your employer group if:

1. You become Totally Disabled prior to the date the coverage canceled and otherwise meet the requirements to receive Payment of Income Benefits; and
2. Notice or proof of the Total Disability is received by the Michigan Catholic Conference no later than ninety (90) days after the date the coverage is canceled.

Income Benefits will be paid in accordance with and to the extent allowed by this Program and will continue until termination as provided in this Program. Termination of Group Coverage by itself will not result in termination of Income Benefits.

Weekly Income Benefit

Payment of Income Benefit

You will be paid an Income Benefit subject to the following provisions:

1. You are a covered Employee as of date of disability and are Totally Disabled; and
2. You were Totally Disabled for the full Benefit Waiting Period.

If approved, Income Benefits will begin the day following the Benefit Waiting Period.

Termination of Income Benefits

Income Benefits cease on the earliest of the date:

1. You cease to be Totally Disabled;
2. You fail to take a required medical examination;
3. You fail to submit any required proof of Total Disability;
4. You die;
5. You have received 24 weeks of Income Benefits per disability;
6. In the opinion of a physician, using generally accepted medical principles, you are able to return to work. For this purpose, the earliest possible date given for your return used by the physician will be the relevant date. Thus, for example, if the physician states that you should be out for six (6) to eight (8) weeks, the Michigan Catholic Conference shall go by the earliest date (six (6) weeks), unless the physician updates the duration of the disability, resulting in a longer period in which you are unable to return to work; or

7. Unless otherwise provided, your coverage under the Program terminates.

Benefit Payment Schedule for Contractual Employees

If eligible, you will receive Income Benefits during your paid year of employment. If you are paid on a 10-month pay schedule, you will receive Income Benefits during that 10-month period. If you are paid on a 12-month pay schedule, you will receive Income Benefits during that 12-month period. Benefits will cease at the end of the scheduled pay year. If you are otherwise entitled to continue receiving benefits at the conclusion of your scheduled pay year, you must renew your contract for benefits to continue at the beginning of the following year.

Except as indicated within the “Partial Disability Resulting from a Total Disability” section, you cannot receive regular wages under your contract at the same time you are receiving Income Benefits.

Benefit Payment Formula for Contractual Employees

If you are paid on a 10-month pay schedule, you will receive Income Benefits during that 10-month period according to the following formula:

Gross annual wages multiplied by .6667 and divided by 210 days = Daily Rate

If you are paid on a 12-month pay schedule, you will receive Income Benefits during that 12-month period according to the following formula:

Gross annual wages multiplied by .6667 and divided by 260 days = Daily Rate

Benefits are payable every two weeks according to the MCC STD pay schedule.

Changes to Benefit Payments

Changes in Amount of Benefit Coverage

If there is a change in occupation or Earnings which affects the Income Benefit Schedule, any change in Benefit Coverage will take place immediately, unless you are absent from work.

If you are absent from work, any change in Benefit Coverage will take effect on the day you return to being Actively at Work.

Non-Duplication of Income Benefits

If the Income Benefit, together with any of the following amounts to which you become entitled while Totally Disabled, exceeds 66 ⅔% of your pre-disability Earnings, then the Income Benefit payable under this Program shall be reduced so that the sum of all benefits does not exceed 66 ⅔% of pre-disability Earnings:

1. Any pay from gainful employment including salary, salary continuation, paid parental leave, vacation, sick pay, or paid time off (PTO) except if Covered Unit from which employee is receiving disability benefit elects to allow vacation pay, sick pay or other forms of paid time-off up to 33 ⅓% of base pay.
2. Any amount received as a salary continuation plan or a severance allowance from your employer.
3. Any benefits paid under:
 - a. a retirement plan, except benefits which represent your contributions to a retirement plan (a retirement plan will not include a profit-sharing plan, a thrift plan, an individual retirement account (IRA), a 403(b)/tax-sheltered annuity (TSA), a stock ownership plan, or a non-qualified plan of deferred compensation); and
 - b. any other disability insurance plan for which your employer has paid any part of the costs.

The Income Benefit will not be reduced by any increase made in the benefits paid under any such plan after the date you become Totally Disabled.

4. Any benefits for which you, at any time, may be reasonably considered to be entitled, to the extent permitted by applicable law, under:
 - a. any Worker's Compensation or similar law;
 - b. the federal Social Security Act; or
 - c. any other federal, state or provincial government benefit plans;

whether or not you have applied for these benefits, unless proof of ineligibility is provided to the Plan Administrator. The Income Benefit will not be reduced by any cost-of-living increase or increase by law in these benefits paid after the date the Income Benefit is first payable to you.

5. Any benefits payable under any plan sponsored by an organization of which you are a member.

Lump Sum Payment

If any of the income amounts listed under the section "Non-Duplication Of Income Benefits" are paid as a lump sum settlement, the Plan Administrator:

1. will divide the single lump sum settlement by your pre-disability Earnings as if you had received the benefit on a periodic basis to calculate the Income Benefit payable; and
2. may make a retroactive adjustment beginning the date you first became eligible for an Income Benefit.

The Plan Administrator shall rely on information from the source making the lump sum payment to determine the manner and amounts of the allocation. The Plan Administrator shall be held harmless from acting on such information. If all necessary information has not been furnished to the Plan Administrator, the allo-

cation shall be determined solely by the Plan Administrator based on a probable assumption as to the nature and purpose of the one sum payment.

Recovery of Overpayment of Income Benefit

The Plan Administrator has the right to recover any overpayment of Income Benefit resulting from:

1. A clerical error;
2. A misstatement of fact; or
3. Receipt by you at any time of an amount which would reduce the Income Benefit payable under this Program.

If an overpayment is made, the Plan Administrator has the right to recover the overpayment from the Participant, the Beneficiary, or any person who received payment on behalf of the Participant or Beneficiary. The Plan Administrator may deduct the amount of overpayment from future benefits payable to the Participant or any of the Participant's beneficiaries. If an overpayment is made, a Covered Unit may deduct the amount of overpayment from the Participant's wages.

Partial Disability Resulting from a Total Disability

If, at the end of the period of Total Disability but prior to the end of your Maximum Benefit Period, your physician, using generally accepted medical principles, releases you to work on only a part-time basis under a reasonable accommodation, a partial short term disability payment will be made under this policy for the remainder of the Maximum Benefit Period. This program in no way guarantees continued employment or employment on a reduced schedule. The Income Benefit payable as a result of your return shall be subject to the provisions of the "Non-Duplication of Income Benefits" section of this policy.

Recurrent Total Disability

In the event of recurrent Total Disability, the following apply:

1. If a period of Total Disability terminates for any reason and you:
 - a. return to being Actively at Work for a period of thirty (30) calendar days or less; and
 - b. become Totally Disabled within the thirty (30) calendar day period from the same or related cause; and
 - c. have continued to be insured without interruption from the date the prior period of Total Disability terminated;

the later period of Total Disability is deemed to be a continuation of the prior Total Disability. The amount of the Income Benefit will be the same amount that was paid for the previous Total Disability

and will not continue beyond the Maximum Benefit Period for the prior Total Disability. You will not have to meet a new Benefit Waiting Period in order to continue receiving Income Benefits.

2. If a period of Total Disability terminates for any reason and you:
 - a. return to being Active at Work for a period of thirty-one (31) business days or more; and
 - b. become Totally Disabled from the same or related cause; and
 - c. have continued to be insured without interruption from the date the prior period of Total Disability terminated;

the subsequent Total Disability shall be treated as a new period of Total Disability subject to all the Program provisions.

3. If you become Totally Disabled from a subsequent Total Disability:
 - a. which results from an unrelated cause or causes; and
 - b. you have returned to being Actively at Work full-time between the Total Disabilities;

the subsequent Total Disability shall be treated as a new period of Total Disability subject to all the Program provisions.

4. If you become Totally Disabled from a subsequent Total Disability:
 - a. which results from an unrelated cause or causes; and
 - b. you did not return to full-time work between the Total Disabilities,

no Income Benefit will be payable for the subsequent Total Disability beyond the Maximum Benefit Period for initial Total Disability (24 weeks after the Benefit Waiting Period of the original Total Disability); and the amount of the Income Benefit will continue to be the same amount that was being paid for the initial Total Disability. You will not have to meet a new Benefit Waiting Period in order to continue receiving Income Benefits.

Coordination with the Michigan Catholic Conference Lay Employees' Retirement Plan

The Michigan Catholic Conference Lay Employees' Retirement Plan provides that all benefits under this Short Term Disability Program must be exhausted before disability retirement benefits will commence. Therefore, you shall not be entitled to receive any Disability Retirement Benefits unless or until all benefits under this Program (or any other wage continuation program) have been paid.

Risks Not Covered

No Income Benefit will be paid under this Program if your Total Disability results from:

1. Intentional self-inflicted injury while sane or insane;

2. War, whether declared or not, or any related act;
3. Participation in a riot or civil commotion;
4. Committing or attempting to commit a felony or assault or engaging in an illegal occupation;
5. Medical or surgical care which is cosmetic in nature unless required to restore tissue damage by disease or accidental bodily injury;
6. A voluntary abortion or a procedure undertaken for the purpose of birth control; or
7. Other activity which violates the tenets of the Catholic Church.

Claims Procedure

Written notice of a claim on a form provided by the Michigan Catholic Conference must be filed with the Michigan Catholic Conference within 30 days after the date you become disabled.

Written proof of a claim on a form and in a format prescribed by the Michigan Catholic Conference must be filed with the Michigan Catholic Conference within 90 days after the Benefit Waiting Period.

Your employer will provide you with the required forms and instructions.

If the forms are not available within a 15-day period, you may send the Michigan Catholic Conference your own written proof of claim.

Your proof of claim must cover:

1. The Injury or Sickness for which you are claiming an Income Benefit;
2. The date the Injury or Sickness first occurred;
3. The name, address and telephone number of your attending physician;
4. An approximate date the physician estimates you will be able to return to work on a form filled out by the physician; and
5. A certification or written documentation from your attending physician verifying your Total Disability.

If your Total Disability continues for a greater length of time than initially anticipated by the physician using accepted medical principles, then you must file a continuing disability form with the Michigan Catholic Conference on a form provided by your employer or the Michigan Catholic Conference.

The Plan Administrator will render a decision on your claim within thirty (30) days after the claim is filed, for post-service claims. This time may be extended by fifteen (15) days if MCC determines that an extension is necessary due to matters beyond the control of the Plan and notifies of the circumstances requiring the extension of time and the date by which MCC expects to render a decision. If the extension is necessary due to your failure to submit the information necessary to decide the claim, the notice of extension will specifically describe the required information, and you will be afforded at 45 days within which to provide the specified information. Provided you deliver the requested information within the time specified, any 30-day extension period will begin after you have provided the information. MCC will decide your claim without the information if you fail to deliver requested information within the time specified.

If your claim for STD benefits is wholly or partially denied, the notice of adverse benefits determination under the Plan will:

- State the reason(s) for the determination.

- Reference to the specific Plan provision(s) on which the determination was based.
- Describe additional material or information necessary to complete the claim and why such information is necessary.
- Describe Plan procedures and time limits for appealing the determination, and your right to obtain information about those procedures;
- Disclose any internal rule; guidelines, protocol or similar criterion relied on in making the adverse determination (or state that such information will be provided free of charge upon request).

Notice of determination may be provided in written or electronic form. Electronic notices will be provided in a form that complies with any applicable legal requirements.

Appeal Procedures

Requests to the Plan Administrator for reconsideration of an adverse benefit determination must be made in writing, addressed to the Plan Administrator within 180 days after you receive written notice that your claim has been denied. Requests for appeal should be sent to Michigan Catholic Conference, Attn: Employee Benefits, 510 S. Capitol Avenue, Lansing, Michigan 48933 or emailed to benefits@micatholic.org. The Plan Administrator will render its decision on your request for reconsideration within 45 days after receiving your request for reconsideration. If MCC determines that special circumstances require an extension of time for a decision on review, the review period may be extended by an additional 45 days (90 days in total). Michigan Catholic Conference will notify you in writing if an additional 45-day extension is needed.

If an extension is necessary due to your failure to submit the information necessary to decide the appeal, the notice of extension will specifically describe the required information, and you will be afforded at least 45 days to provide the specified information. If you deliver the requested information within the time specified, the 45-day extension of the appeal period will begin after you have provided that information. If you fail to deliver the requested information within the time specified, MCC may decide your appeal without that information.

You will have the opportunity to submit written comments, documents, or other information in support of your appeal. You will have access to all relevant documents. The review of the adverse benefit determination will take into account all new information, whether or not presented or available at the initial determination. No deference will be afforded to the initial determination.

The review will be conducted by the Plan Administrator and will be made by a person different from the person who made the initial determination, and such person will not be the original decision maker's subordinate. In the case of a claim denied on the grounds of a medical judgment, the Plan Administrator will consult with a health professional with appropriate training and experience. The health care professional who is consulted on appeal will not be the individual who was consulted during the initial determination or a subordinate. If the advice of a medical or vocational expert was obtained by the Plan in connection with the denial of your claim, the Plan Administrator will provide you with the names of each such expert, regardless of whether the advice was relied upon.

A notice that your request on appeal is denied will contain the following information:

- the specific reason(s) for the determination;
- a reference to the specific Plan provision(s) on which the determination is based;

- a statement disclosing any internal rule, guidelines, protocol or similar criterion relied on in making the adverse determination (or a statement that such information will be provided free of charge upon request);
- the statement that you are entitled to receive upon request, and without charge, reasonable access to or copies of all documents, records or other information relevant to the determination; and
- the statement that “You or your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your State insurance regulatory agency”.

You may not undertake any legal action with respect to a claim until all of your rights under this Claims Procedure have been exhausted unless there are special circumstances.

Proof satisfactory to the Plan Administrator that you are still disabled may be required prior to the payment of any benefits or at reasonable intervals. You may be required to be examined by an independent physician selected and paid for by the Plan Administrator.

Any legal action against the Michigan Catholic Conference must take place no later than three years after the date proof of claim has been filed with the Michigan Catholic Conference.

Miscellaneous

Entire Agreement

The policy, application of a Covered Unit or Michigan Catholic Conference, the executive officer or trustee of an association, and the individual applications, if any, of the employees or members insured, constitute the entire contract between the parties. A statement made by Covered Unit or Michigan Catholic Conference, the executive officer or trustee of an association, or an individual employee or member, in the absence of fraud, is a representation and not a warranty. An insurer shall not use a statement made by the Michigan Catholic Conference or the Covered Unit, the executive officer or trustee of an association, or an individual employee or member as a defense to a claim under the policy, unless the statement is contained in a written application. The insurer will issue to the Michigan Catholic Conference or the Covered Unit or the executive officer or trustee of an association, for delivery to an employee or member who is insured under the policy, an individual certificate that states the insurance protection to which the employee or member is entitled and to whom benefits are payable. New employees or members, as applicable, who are eligible and who apply will be added to the group or class originally insured.

Coordination of Benefits

Benefits payable by the disability policy may be limited if there is other valid coverage with another insurer that provides benefits for the same loss on an expense-incurred basis. If the Plan Administrator is not given written notice on the application for coverage that the other valid coverage exists, or if other coverage is acquired after the effective date of the coverage, the only liability under any expense-incurred coverage of the policy is the amount of the covered claim that exceeds the benefits payable by the other coverage.

Prohibition on Assignment and Alienation

Short-term disability benefits are not subject to assignment or alienation in any manner, and are to be exempt, to the maximum extent permitted by law, from the claims of creditors.

An assignment or alienation includes (but is not limited to) any sale, transfer or other disposition; any anticipation, pledge, security agreement or other method of securing payment or performance of an obligation; and any garnishment, execution, attachment, levy, or other method of satisfying claims of creditors.

The prohibition on assignment and alienation does not apply to claims of the Michigan Catholic Conference or Covered Unit. When any amount becomes payable to a you under the plan, the Michigan Catholic Conference or Covered Unit may offset the amount payable to you by the amount of any outstanding debt, liability, or other obligation of yours to the Michigan Catholic Conference or Covered Unit.

The prohibition on assignment and alienation does not apply to tax withholding. All payments under the program are subject to withholding of taxes as required or permitted by law.

Changes by Administrator

- a. If the administrator determines, before or during any plan year, that the program may fail to satisfy for such year any nondiscrimination or other requirement imposed by the Code or any limitation on benefits provided to key employees, the administrator shall take such action as the administrator deems appropriate, under rules uniformly applicable to similarly situated participants, to assure compliance with such requirement or limitation. Such action may include, without limitation, a modification of elections by highly compensated employees (as defined by the Code for purposes of the nondiscrimination requirement in question) or key employees without the consent of such employees.
- b. If the cost of an optional benefit coverage provided to a participant increases or decreases during a program year, including any increase or decrease due to a change in the participant's salary, a corresponding change shall be made in the compensation reductions of the participant in an amount reflecting such increase or decrease, as determined by the administrator. If the cost of dependent care provided to a participant increases or decreases during a plan year because of cost changes imposed by a dependent care provider who is not a relative of the participant, a corresponding change may be made in the compensation reduction of the participant in an amount to be determined by the administrator.
- c. Any election made under this plan shall automatically terminate on the date on which the participant ceases to be a participant in the plan, although coverage or benefits may continue if and to the extent provided by this plan or the optional benefit coverage documents.
- d. Notwithstanding any other provision of this plan, the administrator may: (i) permit a participant to revoke (and subsequently reinstate) the participant's election of one or more optional benefit coverages under the plan, (ii) adjust a participant's compensation reduction as a result of a revocation or reinstatement and (iii) permit payment of the participant's share of the cost of an optional benefit coverage during an unpaid leave with after-tax dollars, to the extent the administrator deems necessary or appropriate to assure the plan's compliance with the provisions of the Family and Medical Leave Act of 1993 and any regulations pertaining thereto.

Limitation of Rights

Your rights under the program are limited to participation according to the terms of the program. You do not have any right to any benefit under the program except in accordance with the terms of the program.

The program does not give you any interest in the assets, business, or affairs of the employer or any other member of the employer group, or the right to examine the books and records of the employer or any other member of the employer group.

No Right to Employment

The program does not create any right to employment or limit any Covered Unit's right to modify or terminate the employment of any employee without regard to any effect this might have on the employee's rights under the plan.

Interpretation and Construction

- e. The definitions of words and phrases in the plan apply regardless of whether they are capitalized, unless the context clearly requires another meaning. Plural nouns and pronouns are used for purposes of simplicity and include the singular.
- f. *May* is permissive, *will* is directive, *may not* and *will not* are restrictive and *include* and *including* are not exclusive unless accompanied by *only* or similar limitation.
- g. Unless otherwise specified, references to articles, sections, subsections, paragraphs, subparagraphs, exhibits, and schedules are references to this document.
- h. Unless otherwise specified, references to laws, mean the laws as amended and in effect from time to time, and the corresponding provisions of successor laws. The year (if any) included in the title of the law is not intended to specify otherwise.
- i. Captions are included for reference and are not intended to limit or extend the meaning of the related provisions.
- j. In case of any conflict between the terms of the plan and the terms of an insurance contract, the terms of the insurance contract will control. In case of any conflict between the terms of the plan and the terms of any other coverage agreement, the terms of the plan will control.

Relationship to Cafeteria Plan

In the event of any contradictory or conflicting information regarding the administration of this program as compared to the administration of Michigan Catholic Conference's Section 125 Church Flexible Benefit Plan, as amended and restated, the Plan documents will govern.

Severability

The program will be administered so as to comply with the requirements the Code and other applicable law. If any provision of the program conflicts with the requirements of applicable law, the requirements of applicable law will control. The company, Plan Administrator, or committee may apply any permissive provision of applicable law unless the provision is contrary to the terms of the program.

If a court determines that any provision of the program is unenforceable, the court may modify the provision, if possible, so as to give effect to the program in a way that is consistent with the purpose of the program and the requirements of applicable law. If such a modification is not possible, the court may sever the unenforceable provision and enforce the rest of the program in a way that is consistent with the purpose of the plan and the requirements of applicable law.

Governing Law

The program is governed by the law of the State of Michigan, even if principles of Michigan law regarding conflict of laws or choice of law would otherwise require or permit a court to apply the law of another jurisdiction, except to the extent otherwise provided in the coverage agreement, and further except to the extent that Michigan law is preempted by the law of the United States of America (including any common law developed by federal courts under the applicable laws of the United States).

Notes



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