

Long Term Disability Plan for Salaried Employees

One of the tragic consequences of a prolonged disability is loss of earning power. Loss of income and financial disaster may follow.

This booklet describes Lowe's Long Term Disability Plan (the Long Term Disability Plan Option or LTD Plan) that is available to regular full-time salaried employees working 30 hours or more per week. Participating employees who become totally disabled for more than 90 days will be eligible to receive a monthly benefit equal to 60% of their Basic Monthly Earnings to a maximum of \$25,000 a month. Disability can be the result of illness or injury on or off the job.

Coverage is automatic after satisfaction of the service requirement, so there is no enrollment requirement.

The following sections summarize the Long Term Disability Plan. Please review these provisions and retain this book for future reference. Key terms used in this text are specifically defined at the back of this section.

About This Coverage

The Long Term Disability Plan Option is insured by Life Insurance Company of North America (Cigna).

Cigna certifies that under and subject to the terms and conditions of the group policy issued to Lowe's by Cigna, Cigna will provide coverage for each employee who has satisfied or satisfies in the future the eligibility requirements of the Long Term Disability Plan. For eligibility information, please see [Plan Overview](#).

Benefit Cost

Lowe's pays the full cost of the Long Term Disability Plan for regular Full-Time Salaried Employees. There is no cost to the Employee.

Enrollment

Coverage is automatic after satisfaction of the service requirement, so there is no enrollment requirement.

There is no LTD benefit for dependents.

The Benefit

If you become disabled as defined by the Long Term Disability Plan, you may apply for disability income benefits. Monthly benefits are equivalent to 60% of your Basic Monthly Earnings plus Targeted Bonus; however, no more than \$41,667 of Basic Monthly Earnings and Targeted Bonus will be considered per month. The maximum benefit is \$25,000, less any other income benefits. Disability benefits will be reduced by the benefits you receive from other income sources. (For more information regarding reduction of disability benefits, see "[Other Income Benefits](#)").

The LTD benefit will become payable after you have been disabled for 90 days.

The minimum LTD benefit is the greater of \$100 or 10% of the gross monthly benefit.

Rehabilitation During a Period of Disability

If Cigna determines that you are a suitable candidate for rehabilitation, Cigna may require you to participate in a Rehabilitation Plan and assessment at their expense. Cigna has the sole discretion to approve your participation in a Rehabilitation Plan and to approve a program as a Rehabilitation Plan. Cigna will work with you, Lowe's, and your Physician and others, as appropriate, to perform the assessment, develop a Rehabilitation Plan, and discuss return to work opportunities.

The Rehabilitation Plan may, at Cigna's discretion, allow for payment of your medical expense, education expense, moving expense, accommodation expense or family care expense while you participate in the program.

If you fail to fully cooperate in all required phases of the Rehabilitation Plan and assessment without Good Cause, no Disability Benefits will be paid, and insurance will end.

Maximum Benefit Period

Your LTD benefit will commence on the 91st consecutive day of disability and can continue up to the maximum benefit period, depending on your age at commencement of disability as outlined below:

Age at Commencement of Disability	Maximum Benefit Period
Age 60 or younger	To age 65
61 years	48 months
62 years	42 months
63 years	36 months
64 years	30 months
65 years	24 months
66 years	21 months
67 years	18 months
68 years	15 months
69 years or older	12 months

Mental Illness, Substance Abuse, and Non-Verifiable Symptoms

The benefit for disability due to mental illness, substance abuse, or non-verifiable symptoms will not exceed a combined period of 24 months of monthly benefit payments.

If you are in a hospital or institution for mental illness and/or substance abuse at the end of the combined period of 24 months, the monthly benefit will continue during your confinement.

If you are not confined in a hospital or institution for mental illness and/or substance abuse, but are fully participating in an extended treatment plan for the condition that caused your disability, the monthly benefit will continue to be payable to you for up to a combined period of 36 months.

In no event will the monthly benefit be payable beyond the maximum benefit period shown above under "Maximum Benefit Period".

Preexisting Condition Exclusions

"Preexisting Condition" means a condition resulting from an Injury or Sickness for which you received a diagnosis or treatment within three months prior to your effective date of coverage.

The Long Term Disability Plan will NOT cover any disability that is caused or contributed to by a preexisting condition, and that begins in the first 12 months immediately after your effective date of coverage.

Other Income Benefits

Disability benefits you may be eligible for from other income benefit sources will reduce the benefits you will receive under the Long Term Disability Plan Option, and include the following:

- Any amount from a sick leave or salary continuation plan;
- Any local, state, provincial, or federal government disability or retirement plan or law;
- The Jones Act, or any workers' compensation, occupational disease, or similar law;
- Any Social Security retirement or disability benefit you, your spouse, or children receive or are eligible to receive;
- Unemployment benefits, or any earnings from any form of employment including severance pay; and
- Any disability or retirement benefits you receive under a retirement plan sponsored by Lowe's.

The benefit payable under this policy will not be reduced by any cost of living increases payable under the other income sources that become effective after Cigna has made the first benefit payment. This provision does not apply to increases received from any form of employment.

Estimated Benefits

Cigna will reduce your benefits by the amount of the other income benefits that we estimate are payable to you and your dependents.

Your benefits will not be reduced if you provide satisfactory proof that you've applied for other income benefits, have been denied other income benefits, or that all appeals have been made and you are unlikely to be awarded other income benefits.

Lump Sum Pay

If you receive in a lump sum, other income benefit payments from a compromise, settlement award, or judgment, those other income benefits will be prorated on a monthly basis, over the period such benefits would have been paid. If that period of time cannot be determined, the lump sum payment will be prorated over five years.

Definition of Disability

Disability means that, solely because of a covered injury or sickness, you are unable to perform the material duties of your regular occupation and you are unable to earn 80% or more of your indexed earnings from working in your regular occupation.

After benefits have been payable for 24 months, you are considered disabled if solely due to your injury or sickness, you are unable to perform the material duties of any occupation for which you are (or may reasonably become) qualified by education, training or experience, and you are unable to earn 60% or more of your indexed earnings.

Cigna will require proof of earnings and continued disability.

24-Month Return to Work Incentive

During the first 24 months that benefits are payable, benefits will be reduced if benefits plus income from employment exceeds 100% of pre-disability covered earnings. After that, benefits will be reduced by 50% of earnings from employment.

During any month you have Disability Earnings, your benefits will be calculated as follows.

Your monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and you have Disability Earnings:

1. Add your Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to your Indexed Earnings.
3. If the sum from 1. exceeds 100% of your Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. Your Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits.

Three-Month Lump Sum Survivor Benefit

Cigna will pay a Survivor Benefit if you die while Disability Benefits are payable and at least 1 Monthly Benefit has been payable to you for a continuous period of Disability. The Survivor Benefit will equal 100% of the sum of the last full Disability Benefit payable to you plus the amount of any Disability Earnings by which the benefit had been reduced for that month. A single lump sum payment equal to 3 monthly Survivor Benefits will be payable. If the survivor benefit is payable to your children, payment will be made in equal shares to your children, including stepchildren and legally adopted children. However, if any of your children are minors or incapacitated, payment will be made on the minor or incapacitated child's (or children's) behalf to the court appointed guardian. If there is no eligible survivor, the benefit is payable to the estate.

If an overpayment is due to Cigna at the time of death, the benefit payable under this provision will be applied toward satisfying the overpayment.

Proof of Disability

When Cigna receives proof that you are disabled due to an injury or sickness that requires the regular attendance of a physician, Cigna will pay the monthly benefit. The benefit will be paid for the period of disability, if you provide proof of continued disability, receive regular care from a physician, and receive appropriate care. The proof must be in a format satisfactory to Cigna, and obtained and provided at your expense.

"Appropriate care" means you:

1. Have received treatment, care and advice from a Physician who is qualified and experienced in the diagnosis and treatment of the conditions causing Disability. If the condition is of a nature or severity that it is customarily treated by a recognized medical specialty, the Physician is a practitioner in that specialty.
2. Continue to receive such treatment, care or advice as often as is required for treatment of the conditions causing Disability.
3. Adhere to the treatment plan prescribed by the Physician, including the taking of medications. The services must be provided by a physician who is licensed and qualified in a discipline suitable to treat the disabling Injury or Sickness. A physician does not include you, your spouse, your immediate family (including parents, children, siblings, or spouses of any of the foregoing, whether the relationship derives from blood or marriage), or a person living in your household.

Successive Periods of Disability

A successive period of disability will be treated as part of the prior disability if, after receiving disability benefits under this policy, you return to work in your regular occupation for less than six consecutive months, and then become disabled again by the same or a related disability. To qualify for this treatment, you must experience more than a 20% loss of monthly earnings.

If you return to your regular occupation for six months or more, the successive period of disability will be treated as a new period of disability. You must complete another elimination period to be eligible for LTD benefits. If you become eligible for any other group long term disability coverage, this provision will cease to apply.

General Exclusions

The Long Term Disability Plan Option will not pay for any disability due to:

- Suicide, attempted suicide, or self-inflicted injury while sane or insane;
- War or any act of war, whether or not declared;
- Active participation in a riot;
- Commission of a felony; or
- The revocation, restriction or non-renewal of your license, permit or certification necessary to perform the duties of your occupation unless due solely to Injury or Sickness otherwise covered by the Policy.

When Benefits End

The monthly benefit will end on the earliest of the following:

- The date you earn from any occupation, more than the percentage of Indexed Earnings set forth in the definition of Disability applicable to you at that time;
- The date Cigna determines you are not Disabled;
- The end of the Maximum Benefit Period;
- The date you die;
- The date you refuse, without Good Cause, to fully cooperate in all required phases of the Rehabilitation Plan and assessment;
- The date you are no longer receiving Appropriate Care;
- The date you fail to cooperate with Cigna in the administration of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

In addition, your Long Term Disability coverage will not continue beyond the end of the six-month period in which a leave of absence begins, or beyond 12 weeks for a temporary layoff due to lack of work.

Portability

Your coverage under the LTD Plan Option will end at the termination of your employment with Lowe's, including retirement, or loss of eligibility due to your change in employment classification from full-time regular status.

Coverage under the LTD Plan Option is not portable.

Filing Claims

If you have received benefits under Lowe's STD plan, you do not need to complete a LTD claim form.

If you have not received STD benefits, refer to Lowe's [Short Term Disability Plan](#). You may have to provide additional medical information. Your Cigna claim manager will notify you if you need to supply additional information regarding your disability.

If you have not received benefits from Lowe's STD Plan, you can submit your claim online at the mycigna.com web site, accessible via the employee portal at www.myloweslife.com (My Lowe's Life > My Work/Life > Work Life Related Quick Links > STD/LTD/FMLA Leave Reporting > Submit Claim, Leave, or EOI > I Agree to These Terms of Use > Claim or Leave Submission), or telephonically by calling Cigna at 1-855-648-7970.

Cigna will verify that you are insured under the plan and verify your wages.

NOTE: All LTD claims should be filed immediately after the 60th day of disability or as soon as reasonably possible thereafter.

You must provide written proof of loss to Cigna, or proof by any other electronic/telephonic means authorized by Cigna, within 90 days after the date of the loss for which a claim is made. If written proof of loss, or proof by any other electronic/telephonic means authorized by Cigna, is not given in that 90 day period, the claim will not be invalidated nor reduced if it is shown that it was given as soon as was reasonably possible. In any case, written proof of loss, or proof by any other electronic/telephonic means authorized by Cigna, must be given not more than one year after the 90 day period. If written proof of loss, or proof by any other electronic/telephonic means authorized by Cigna, is provided outside of these time limits, the claim will be denied. These time limits will not apply due to lack of legal capacity.

Remember that STD benefits are paid weekly, while LTD benefits are paid monthly in arrears.

While your claim for LTD benefits is pending, your Cigna claim manager is the primary contact for your claim. You can reach your claim manager at 1-800-238-2125 x1013379.

You can also check the status of a claim at the mycigna.com web site, accessible via the employee portal at www.myloweslife.com (My Lowe's Life > My Work/Life > Work Life Related Quick Links > STD/LTD/FMLA Leave Reporting > Check status of a Claim or Leave request).

Definitions

Basic Monthly Earnings: For salaried employees, your basic monthly rate of pay and targeted bonus (if you are a participant in the corporate management, store manager, or annual management bonus plan) immediately prior to your disability, as verified by Lowe's. Normal base pay does not include overtime.

Injury: Bodily impairment resulting directly from an accident and independently of all other causes.

Sickness: Illness, disease, or pregnancy or complications of pregnancy.