

PAID FAMILY AND MEDICAL LEAVE (PFML) CONTRACT

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Contract Holder: FRANKLIN COVEY CO.
Group Contract No.: CG-70078-MA
Contract Date: January 1, 2022

Contract Term/Renewal Rights: The Contract Term starts on the Contract Date and continues until the Contract Holder or Prudential ends the Group Contract. Prior to a change in the premium rates, Prudential will notify the Contract Holder. Payment of premium will be deemed acceptance of the premium rate.

The Group Contract is delivered in and is governed by the laws of the Commonwealth of Massachusetts.

Contract Anniversaries: January 1 of each year, beginning in 2023.

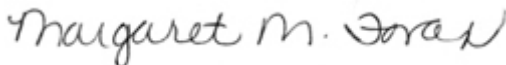
End of the Group Contract: Prudential may end the Group Contract by providing written notice to the Contract Holder and the Massachusetts Department of Family and Medical Leave ("DFML") at least 30 days in advance. If, however, Prudential ends the Group Contract at renewal it must be on a Contract Anniversary, notice to the Contract Holder and the DFML must be given by Prudential to the Contract Holder at least 60 days in advance. All written notices to the Contract Holder will include the reason for the termination. If insurance with another insurer becomes effective before the cancellation date stated in the notice, the cancellation will be effective as of the effective date of the other insurance.

The Group Contract may also be ended upon the written request of the Contract Holder. The Contract Holder is liable to pay premiums to Prudential for the time the Group Contract is in force.

The PFML benefits are described beginning with the Benefit Highlights section of the Group Contract. The promise to provide these benefits is based on the Contract Holder's application and payment of the required premiums.

Conformity with Law: This Group Contract provides paid family and medical leave (PFML) benefits compliant with the DFML standards. If the provisions of the Group Contract do not conform to the requirements of M.G.L. c.175M and 458 CMR 2.00 (hereinafter respectively referred to as "the PFML statute and regulations"), the Group Contract is automatically changed and administered consistent with the PFML statute and regulations. If there are conflicts between the Group Contract and the PFML statutes and regulations, the PFML statute and regulations will be the controlling requirements, unless the Group Contract provisions are more advantageous to the Covered Individual in which case the Group Contract terms will prevail.

If there are any changes, amendments, or regulatory clarifications to the provisions of the PFML statute and regulations, then the Group Contract is automatically changed and administered consistent with the relevant changes, amendments, or regulatory amendments and all claims practices will be updated promptly to be in compliance with the new requirements. The Group Contract will be reviewed at least annually and updates, if any, will be made to comply with any changes, amendments, or regulatory clarifications.



Secretary



Chief Executive Officer

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Included Employer(s)

Included Employer(s) under the Group Contract are the Contract Holder and its Associated Companies, if any.

Associated Companies are employers who are the Contract Holder's subsidiaries or affiliates and are listed below.

The Contract Holder must let Prudential know, in writing, when an employer listed as an Associated Company is no longer one of its subsidiaries or affiliates.

Associated Companies: None

Schedule of Premium Rates

CG-70078-MA

Premium Due Dates: The Contract Date, and on the first day of each month thereafter.

Covered Individuals to which this Schedule applies:

All Classes

Applicable Coverage	Monthly Rate Per Covered Individual
Paid Family Leave Coverage	0.50% of Wages up to the Social Security Wage Base
Paid Medical Leave Coverage	0.62% of Wages up to the Social Security Wage Base

If the Contract Holder requires Contributions toward premiums from Covered Individuals, this amount cannot exceed the maximum portion of Contributions for Covered Individuals as described in the PFML statute and regulations. This maximum Contribution amount is subject to an annual adjustment by the DFML Director as specified in M.G.L c. 175M, § 7(e).

PAYMENT OF PREMIUMS - GRACE PERIOD.

Premiums are to be paid by the Contract Holder to Prudential. Each may be paid at a Prudential office or to one of its authorized agents. One is due on each Premium Due Date stated in the Group Contract Schedule. The Contract Holder may pay each premium other than the first within 31 days of the Premium Due Date without being charged interest. Those days are known as the grace period. The Contract Holder is liable to pay premiums to Prudential for the time the Group Contract is in force.

Prudential may end the Group Contract for non-payment of premium by providing written notice to the Contract Holder and to the DFML. The notice will state when cancellation is effective. This date will not be less than 30 days after the date the notice is furnished. If insurance with another insurer becomes effective before the cancellation date stated in the notice, the cancellation will be effective as of the effective date of the other insurance.

PREMIUM AMOUNTS.

The premium due on each Premium Due Date is the sum of the premium charges for the insurance under the Coverage. Those charges are determined from the premium rates then in effect and the Employees then insured.

Premium Rate Changes. The premium rates in effect on the Contract Date are shown above. Prudential has the right to change premium rates:

- (1) As of any Premium Due Date; and
- (2) As of any date there is a change in the commissions and any fees payable to any of the following:
 - (a) Prudential;
 - (b) the insurance producer of the Group Contract;
 - (c) any other agent of the Contract Holder; or
 - (d) the Contract Holder; and
- (3) As of any date the extent or nature of the risk assumed is changed for any reason, including the reasons shown below:
 - (a) A change occurs in the plan design.
 - (b) A division, subsidiary, Associated Company or Included Employer is added or deleted.
 - (c) The number of insured persons changes by 10% or more.
 - (d) A change in M.G.L. c.175M and 458 CMR 2.00 is enacted.

But, unless an amendment states otherwise, (1) above will not be used to change premium rates within 12 months of the Contract Date.

Prudential will tell the Contract Holder when a change in the premium rates is made.

General Rules

RECORDS - INFORMATION TO BE FURNISHED.

The Contract Holder is required to keep a record of the essential details of the insurance coverage that applies to Covered Individuals, which may include wage or payment history used to determine the benefit amount. The Contract Holder will send the data required by Prudential within a reasonable time period, which shall not be more than fifteen business days. All records of the Contract Holder which bear on the insurance must be open to Prudential for its inspection at any reasonable time.

The Contract Holder must keep a record of all details of the insurance coverage and the Group Contract for a minimum period of three years after termination of the Group Contract. The Contract Holder shall furnish these records to the DFML upon request.

Prudential will not have to perform any duty that depends on such data before it is received in a form that satisfies Prudential. The Contract Holder may correct wrong data but Prudential shall not be responsible if it has already relied on the incorrect data provided by the Contract Holder. A Covered Individual's insurance under a Coverage will not be made invalid by failure of the Contract Holder, due to clerical error, to record or report the Employee for that insurance.

MODIFICATION OF THE GROUP CONTRACT.

The Group Contract may be amended, at any time, without the consent of the insured Employees or of anyone else with a beneficial interest in it. This can be done through written request made by the Contract Holder and agreed to by Prudential. But an amendment will not affect a claim incurred before the date of change.

Only an officer of Prudential has authority: to waive any conditions or restrictions of the Group Contract; or to extend the time in which a premium may be paid; or to make or change a contract; or to bind Prudential by a promise or representation or by information given or received. A Prudential agent is not an officer.

No change in the Group Contract is valid unless shown in:

- (1) an endorsement on it signed by an officer of Prudential; or
- (2) an amendment to it signed by the Contract Holder and by an officer of Prudential.

But a change in the Group Contract may be made in an amendment to it that is signed only by an officer of Prudential if:

- (a) The amendment reflects a change in the Group Contract that has been automatically made to satisfy the requirements of any state or federal law or regulation that applies to the Group Contract, as provided in the Conformity With Law section. This change is known as a Statutory Amendment.

- (b) The amendment reflects a change in Prudential's administration of its group insurance benefits and is intended to apply to all group insurance contracts which are affected by the change. This change is known as a Portfolio Amendment. Prudential will give the Contract Holder written notice of its intent to make a Portfolio Amendment in the Group Contract at least 31 days in advance of the effective date of the Amendment. When the Group Contract is so amended, payment by the Contract Holder of the next premium due under the Group Contract will constitute acceptance of the Portfolio Amendment, unless the Contract Holder has rejected the Amendment, in writing, prior to its effective date.

If any Amendment is not consistent with the PFML statute and regulations, the DFML may withdraw the approval of a private plan exemption. If an exemption is withdrawn, the Contract Holder may be required to remit Contributions for its entire payroll retroactive to either October 1, 2019 or the start date of the Contract Holder's approved exemption and the Contract Holder may be required to repay to the Family and Employment Security Trust Fund ("Trust Fund") the cost of total amount of benefits paid to Covered Individuals who received benefits from the Trust Fund and that it may be subject to additional interest and penalties established by the DFML for not maintaining a private plan.

Prudential will notify the DFML in writing at least 30 calendar days before any proposed changes to the terms or conditions of the Group Contract.

REINSTATEMENT OF THE GROUP CONTRACT

After receiving a termination notice, the Contract Holder may request the Group Contract be reinstated. At Prudential's discretion, the Contract may be reinstated. Such reinstatement shall be without any gap in coverage. The Contract Holder must pay Prudential any retroactive premiums due. Prudential will notify the DFML if it agrees to reinstate the Group Contract.

ASSIGNMENT OF THE GROUP CONTRACT.

This Group Contract may not be assigned without Prudential's prior written consent.

Employer Obligations

The Job and Employee Benefits Protection and other rights described below are Employer obligations. Prudential plays no role in determining, interpreting or applying any such rights.

Job and Employee Benefits Protection.

As required under the PFML statute and regulations, when the Employee returns to Employment at the close of a period of approved family or medical leave, the Employee shall be restored to his previous position or to an equivalent position, with the same status, pay, Employment Benefits, length-of-service credit and seniority as of the date of leave. The Contract Holder shall not be required to restore any Employee who has taken family or medical leave to the previous or to an equivalent position if other Employees of equal length of service credit and status in the same or equivalent positions have been laid off due to economic conditions or other changes in operating conditions affecting Employment during the period of leave; provided, however, that the Employee who has taken leave shall retain any preferential consideration for another position to which the Employee was entitled as of the date of leave. Nor shall the Contract Holder be required to restore an Employee who was hired for a specific term or only to perform work on a discrete project, if the Employment term or project is over and the Contract Holder would not otherwise have continued to employ the Employee. Similar protections apply to Covered Contract Workers.

Non-Retaliation Provision.

As outlined in the PFML regulations, it shall be unlawful for the Contract Holder to threaten to retaliate or to retaliate by discharging, firing, suspending, expelling, disciplining, through the application of attendance policies or otherwise, threatening or in any other manner discriminating against an Employee for exercising any right to which such Employee is entitled or with the purpose of interfering with the exercise of any right to which such Employee is entitled.

It shall be unlawful for the Contract Holder to threaten to retaliate or to retaliate by discharging, firing, suspending, expelling, disciplining, through the application of attendance policies or otherwise, threatening or in any other manner discriminating against an Employee who has filed a complaint or instituted or caused to be instituted a proceeding under or related to this anti-retaliation provision, has testified or is about to testify in an inquiry or proceeding or has given or is about to give information connected to any inquiry or proceeding relating to this provision. Similar protections apply to Covered Contract Workers.

Additionally, the Contract Holder may require an Employee who has been approved for leave benefits to comply with reasonable attendance and call in procedures established by the Contract Holder. An Employee who is approved for Intermittent Leave benefits must work with the Contract Holder to make an effort to take leave so as not to unduly disrupt the Contract Holder's operation. Furthermore, an Employee who takes leave on an intermittent or Reduced Leave Schedule and who fails to work during the times agreed to between the Contract Holder and the Employee may be subject to discipline. An Employee who fails to return to work or to the Employee's regular work schedule following the expiration of the leave period may be subject to discipline.

Continuation of Employer-Related Health Insurance Benefits.

As required under the PFML statute and regulations, during the duration of the family or medical leave, the Contract Holder shall continue to provide for and contribute to the Employee's Employment-related health insurance benefits, if any, at the level and under the conditions that coverage would have been provided if the Employee had continued working continuously for the duration of such leave. The Employee's portion of any Employment-related health insurance benefits shall be remitted by the Employee in accordance with the Contract Holder's uniformly-applied policies or practices.

Continuation of Other Employee Benefits.

As required under PFML statute and regulations, upon reinstatement, taking family or medical leave under this Group Contract shall not affect the Employee's right to accrue vacation time, sick leave, bonuses, advancement, seniority, length-of service credit or other Employment Benefits, plans or programs. Leave periods need not be treated as credited service for purposes of benefit accrual, vesting and eligibility to participate.

Fitness for Duty at Close of Medical Leave Period.

Covered Individuals, other than former employees, will be required to provide a fitness-for-duty certification with regards to the particular health condition that caused the need for leave. The certification from the Health Care Provider must certify that the Covered Individual is able to resume work. The certification should specifically address the Covered Individual's ability to perform the essential functions of his or her job. The Contract Holder will provide the Covered Individual with a list of the essential functions of the job within five business days of when the leave is approved. The Health Care Provider must certify that the Covered Individual can perform the identified essential functions of the job.

Restoration of Employment may be delayed until the Covered Individual submits the required fitness-for-duty certification unless the Contract Holder fails to provide the certification form within five business days of approval of the leave. Failure to provide a fitness-for-duty certification following the approved leave period shall mean the Covered Individual is no longer entitled to reinstatement.

A certification of fitness to return to duty is not required for each absence taken on an Intermittent or Reduced Leave Schedule. If reasonable safety concerns exist regarding the Covered Individual's ability to perform the duties the Contract Holder may require a certification of fitness to return to duty only every 30 calendar days.

Benefit Highlights

PAID FAMILY AND MEDICAL LEAVE (PFML)

Effective Date of Coverage:

January 1, 2022

In order for the Employer to qualify for an exemption from Contributions to the Trust Fund, the effective date must begin no later than the first day of the quarter following the date of the approval of the private plan exemption date for the following paid leaves:

- Leave for Covered Individuals who are unable to work due to their own Serious Health Condition (Medical Leave);
- Leave for Covered Individuals to bond with a Child during the first 12 months after the Child's birth, Adoption, or Foster Care placement (Family Leave);
- Leave for Covered Individuals for a Qualifying Exigency arising out of the fact that the Covered Individual's Family Member is a current member of the Armed Forces (Family Leave); and
- Leave for Covered Individuals to care for a Family Member who is or was a member of the Armed Forces and who require medical care as a result of an illness or injury related to Family Members' active service (Family Leave).
- Leave for Covered Individuals to care for a Family Member with a Serious Health Condition (Family Leave).

Covered Classes:

All of the following Covered Individuals:

- the Contract Holder's Employees providing services in Massachusetts, including full-time, part-time, permanent, temporary, on call, per diem or seasonal employees who meet the Minimum Eligibility Requirement(s);
- former employees of the Employer for no more than 26 weeks after separation or until re-employed, whichever comes first; and
- All Covered Contract Workers, if applicable, if the Employer is a Covered Business Entity.

Minimum Eligibility Requirement(s):

Covered Individuals must perform services localized in Massachusetts for the Contract Holder, or if services are not localized in Massachusetts, their services meet the requirements of 458 CMR 2.00.

Waiting Period: No Family or Medical Leave benefits will be paid during the first 7 calendar days of an approved initial claim for benefits.

The 7 day Waiting Period is required for each application for benefits and will count against the total available period of leave in a Benefit Year. The Waiting Period shall begin on the first date of each covered leave.

Where the approved claim involves leave on an Intermittent or Reduced Leave Schedule, the Waiting Period will be 7 consecutive calendar days, not the aggregate accumulation of 7 days of leave.

If the Covered Individual satisfies the following requirements, the 7 day Waiting Period for paid Family Leave will not be required:

- When a Covered Individual takes a Medical Leave during pregnancy or recovery from childbirth, and supported by documentation by a Health Care Provider that it is immediately followed by a Family Leave; and
- The Waiting Period for the Medical Leave claim has been satisfied.

Benefits begin the day after the Waiting Period is completed. The Waiting Period does not apply to approved extensions of paid Family or Medical Leave.

Weekly Benefit: The Covered Individual's Weekly Benefit will be the sum of:

- (1) 80% of portion of the Covered Individual's Average Weekly Wage (AWW) that is equal to or less than 50% of the State Average Weekly Wage (SAWW); and
- (2) 50% of the portion of the Covered Individual's AWW that is greater than 50% of the SAWW.

Your benefit may be reduced by offsets. The weekly benefit is the dollar amount as determined by the formula in the Calculation of Weekly Payment section. In no event will the Weekly Benefit be less than the benefit that would have been payable to a Covered Individual under the state plan.

Maximum Weekly Benefit:

64% of the State Average Weekly Wage (SAWW). The SAWW is determined by the Director of the Massachusetts Department of Unemployment Assistance no later than October 1 of each year (with the initial adjustment on October 1, 2021), and will take effect on January 1 of the year following such determination.

Qualifying Reasons Under this Contract:

Medical Leave and Family Leave

Leave Allotment:

The leave allotment is based on the Covered Individual's Average Working Week with the Employer or Covered Business Entity.

Maximum Leave Allotment in weeks for Medical Leave (includes the Waiting Period): 20 weeks

Maximum Leave Allotment in weeks for all Family Leaves other than Care for Covered Service Member (includes the Waiting Period): 12 weeks

Maximum Leave Allotment in weeks for Family Leave to Care for Covered Service Member (includes the Waiting Period): 26 weeks

Maximum Combined Leave Allotment in weeks for all Qualifying Leaves in a Benefit Year: 26 weeks

The above items are only highlights of the coverage available under this Group Contract. For a full description please read the pages that follow.

Individual Coverage Provisions

Coverage Begins.

An individual's coverage under the Group Contract begins the latest of the date the:

- individual is a Covered Individual of the Contract Holder or of an Included Employer;
- Covered Individual is hired by the Contract Holder;
- individual has satisfied the Minimum Eligibility Requirement(s); and
- Group Contract is in effect.

End of Coverage.

The Covered Individual's coverage under the Group Contract ends the earliest of:

- the date the Group Contract is terminated;
 - the date the Included Employer of the Covered Individual is no longer included under the Group Contract;
 - the date the individual is no longer a Covered Individual;
 - the date the individual does not meet the Minimum Eligibility Requirements(a); or
 - 26 weeks after separation or until re-employed, whichever comes first, for former employees.
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Benefit Information

All presumptions will be made in favor of the availability of leave and the payment of leave benefits.

Qualifying Reasons for PFML Benefits:

Covered Individuals may qualify for PFML benefits for the following Qualifying Reasons:

- Medical Leave; and
- Family Leave.

Medical Leave means leave taken by a Covered Individual due to a Covered Individual's own Serious Health Condition.

Family Leave means leave taken by a Covered Individual:

- To care for a Family Member with a Serious Health Condition;
- To bond with a Child during the first 12 months after the Child's birth, Adoption, or Foster Care placement;
- To care for a Family Member who is a Covered Service Member; or
- Because of a Qualifying Exigency arising out of the fact that a Family Member is on Active Duty or has been notified of an impending call or order to Active Duty in the Armed Forces.

Intermittent Leave or Reduced Leave Schedule:

- For Family Leave to bond with a Child during the first twelve months after the Child's birth, Adoption, or Foster Care placement, leave may be taken on an Intermittent or Reduced Leave Schedule only if the Contract Holder and the Covered Individual mutually agree. Prudential will assume that there is such agreement upon receipt of the claim request from the Covered Individual. When needed, Prudential will validate that agreement has been reached with the Contract Holder as a condition of paying benefits.
- For Family Leave to care for a Family Member's Serious Health Condition or to care for a Family Member who is a Covered Service Member, leave may be taken on an Intermittent or Reduced Leave Schedule. A certification from a Health Care Provider documenting that the Intermittent Leave schedule is medically necessary is required.
- For Family Leave due to a Qualifying Exigency arising out of a Family Member's Active Duty or impending call to Active Duty in the Armed Forces, leave may be taken on an Intermittent or Reduced Leave Schedule.
- For Medical Leave due to the Covered Individual's own Serious Health Condition, leave may be taken on an Intermittent or Reduced Leave Schedule. A certification from a Health Care Provider documenting that the Intermittent Leave schedule is medically necessary is required.

Intermittent Leave Increments.

Intermittent Leave may be taken in increments consistent with the established policy the Employer or Covered Business Entity uses for other forms of leave.

Intermittent Leave rules under this Contract:

- Leave must be taken in increments of 1 minute.
- Prudential may verify the leave taken prior to issuing any payment for Intermittent Leave.
- Prudential will pay for all leave increments taken within the payment period and decrement this leave period from the leave allotment available.

Determination of Average Weekly Wage

The Weekly Benefit is determined using the Covered Individual's Average Weekly Wage during the Base Period. The Average Weekly Wage is calculated using Wages paid by the Contract Holder. The Contract Holder will be required to provide Wage information to Prudential upon request.

Calculation of the Weekly Payment

We will follow this process to figure out the Covered Individual's Weekly Payment:

1. Multiply the State Average Weekly Wage (SAWW) by 50%.
2. Multiply the portion of the Average Weekly Wage (AWW) that is equal to or less than the answer in item 1. by 80%.
3. Determine the amount of the AWW that is greater than the answer in item 1, if any.
4. Multiply the answer in item 3. by 50%.
5. Determine the Maximum Weekly Benefit as indicated in the Benefit Highlights section.
6. Add the answers in items 2. and 4 together.
7. Compare the answer in item 6 to the answer in item 5. The lesser of these two is the Gross Weekly Payment.
8. Subtract from the Gross Weekly Payment any offsets. The amount figured in item 8 is the Weekly Payment.

If leave is taken on an Intermittent or Reduced Leave Schedule during the course of the week:

9. Take the answer in item 7 and divide by the number of hours the Covered Individual is scheduled to work in a week.
10. Consider leave taken and round down to the nearest Intermittent Leave increment, as necessary. Add together the Intermittent Leave increments taken for leave during the course of the week. This is the number of payable hours for that week.

11. Take the answer in item 10 and multiply by the answer in item 9. This is the Gross Weekly Payment, adjusted for intermittent or reduced leave.
12. For each offset that applies, take the weekly amount of the offset divide by the number of hours the Covered Individual is scheduled to work, and then multiply by the answer in item #10 to determine the prorated offset amount. Add together all prorated offset amounts.
13. Subtract the answer in item 12 from the answer in item 11. This is the Weekly Payment adjusted for intermittent or reduced leave taken.

If the Covered Individual's work schedule varies from week to week, Prudential's calculation will be based on the Covered Individual's weekly work schedule in effect prior to leave.

Weekly Payment means the payment after any offsets have been subtracted from the Gross Weekly Payment.

Maximum Weekly Benefit means the maximum benefit amount for which the Covered Individual is insured under this plan.

Gross Weekly Payment means the benefit amount before Prudential subtracts offsets.

Offsets and / or Reductions:

The Weekly Benefit Amount will be reduced by the amount of Wages or wage replacement that a Covered Individual receives from:

- (a) any government program or law, including unemployment benefits under M.G.L. c. 151A, or workers' compensation under M.G.L. c. 152, other than for permanent partial disability incurred prior to the Family or Medical leave application for benefits; or
- (b) under other state or federal temporary or permanent disability benefits law; or
- (c) a permanent disability policy or program of the Employer or Covered Business Entity.

Unless the aggregate amount a Covered Individual receives would exceed the Covered Individual's Average Weekly Wage, the Weekly Benefit Amount for a period will not be reduced by the amount of wage replacement that a Covered Individual receives from:

- (a) a temporary disability policy or program of the Employer or Covered Business Entity; or
- (b) a paid family or medical leave policy of the Employer or Covered Business Entity.

Leave Allotments:

Including the Waiting Period, the maximum leave allotment in weeks in a Benefit Year is as follows:

- Medical Leave is up to 20 weeks;
- Family Leave, for all leaves other than leave to care for a Family Member who is a Covered Service Member, is up to 12 weeks; and
- Family Leave to care for a Family Member who is a Covered Service Member is up to 26 weeks.

In a Benefit Year a Covered Individual may take 26 weeks of leave, including the Waiting Period, for any combination of Family and Medical Leave.

The Benefit Year is the period of 52 consecutive weeks beginning on the Sunday immediately preceding the first day leave commences for the Covered Individual.

The Covered Individual's leave claim will end on the earliest of the following:

- (1) The exhaustion of the leave allotment noted above.
- (2) For Medical Leave, the date the Covered Individual no longer has a Serious Health Condition.
- (3) For Family Leave to provide care for a Family Member, including Family Members who are Covered Service Members, the date the Family Member no longer has a Serious Health Condition.
- (4) The date the Covered Individual dies or the Family Member dies if the leave is for Family Leave.

Other than during any Waiting Period, payments will be made for weeks of qualifying leave.

All extensions of leave requests must include the appropriate documentation as shown under "Extension of Paid Leave Benefits" under the "Claim Information" section of this Group Contract.

Claim Information

Notice of Claim.

Prudential encourages the Covered Individual to notify us of the claim as soon as possible, so that a claim decision can be made in a timely manner. Covered Individuals need to provide notice of claim to the Contract Holder at least 30 calendar days prior to the anticipated date that the Medical or Family Leave will begin, or as soon as practicable if a delay is beyond the Covered Individual's control. Covered Individuals should comply with the Contract Holder's usual and customary notice and procedural requirements for leave, absent unusual circumstances. Notice of a claim to Prudential must be provided within the designated time period determined by the Contract Holder after the date that the Medical or Family Leave begins. If it is not possible for the Covered Individual to give notice for circumstances beyond his or her reasonable control, Prudential may require the notice be given as soon as practicable. If the notice is not provided a claim may be delayed or denied.

The Covered Individual may notify us of the claim no more than 60 calendar days before the anticipated start of a Family or Medical Leave.

If an application for benefits is filed with Prudential, or is filed but does not include all required information, and more than 90 calendar days have passed since the start of the individual's period of leave, the Covered Individual may receive reduced benefits. This deadline will not apply if the Covered Individual has a Serious Health Condition that prevents the individual from providing the required certification within the 90 calendar days.

Prudential encourages, in the case of medical leave when planning medical treatment, the Covered Individual to consult the Employer to schedule treatment so as to not unduly disrupt the Employer's operations.

Substitution of Employer Provided Paid Leave.

The Contract Holder may not require the Covered Individual to use Accrued Paid Leave or leave through an Extended Illness Leave Bank prior to initiating a claim under the Group Contract.

Benefits for Former Employees.

For Covered Individuals who have been separated from the Contract Holder for less than 26 weeks and the individual:

- remains unemployed, then the application for benefits should be submitted to Prudential.;
- has become employed by a different employer (or contracted with a Covered Business Entity), then the application should be submitted to the current employer's or Covered Business Entity's PFML administrator.

Prudential may inquire as to whether the individual is currently employed or has gained Employment following separation from the Contract Holder.

Certifications and Documentation Requests.

Prudential may require certifications and documentations as permitted under the PFML statute or regulations and shown below.

For Medical Leave for a Serious Health Condition:

Prudential may require a certification from a Health Care Provider that includes:

- a statement that the Covered Individual has a Serious Health Condition;
- the date on which the Serious Health Condition commenced;
- the probable duration of the Serious Health Condition;
- a certification by the Health Care Provider that the Covered Individual is incapacitated from work due to the Serious Health Condition;
- information regarding the need for Intermittent Leave, including a statement that such leave or schedule is medically necessary where the claim for benefits is for leave on an intermittent or Reduced Leave Schedule.

For Family Leave to Care for Family Member with a Serious Health Condition:

Prudential may require a certification from a Health Care Provider that includes:

- The name and address of the Family Member;
- A statement confirming the relationship between the Covered Individual and the Family Member;
- A statement that the Family Member has a Serious Health Condition;
- The date on which the Family Member's Serious Health Condition commenced;
- The probable duration of the Family Member's Serious Health Condition;
- A statement that the Covered Individual is needed to care for the Family Member; and
- An estimate regarding the frequency and anticipated duration of time that the Covered Individual is needed to care for the Family Member.
- Information from the Covered Individual that proves to the satisfaction of Prudential the identity of the Family Member.

For Family Leave for the Birth of a Child:

Acceptable documentation may include one of the following:

- The Child's birth certificate; or
- A statement from the Child's Health Care Provider stating the Child's birth date; or
- A statement from the Health Care Provider of the person who gave birth stating the Child's birth date.

For Family Leave for Placement of a Child for Adoption or Foster Care:

Prudential may require a certification from:

- the Child's Health Care Provider; or
- an Adoption or Foster Care agency involved in the placement or the Massachusetts Department of Children and Families or the equivalent state agency if not in Massachusetts.
- Prudential may also require that the Covered Individual provide written notice of any change of status as an adoptive or foster parent while an application for benefits is pending or while the Covered Individual is receiving benefits. In this instance, the Covered Individual, within five business days of such change in status, may be required to provide written notice of the change to Prudential. The Massachusetts Department of Children and Families, or the equivalent state agency if not in Massachusetts, may confirm in writing the Covered Individual's status as an adoptive or foster parent while an application for benefits is pending or while the Covered Individual is receiving benefits.

Family Leave for a Qualifying Exigency arising out a Family Member is on Active Military Duty or Has Been Notified of an Impending Call or Order to Active Duty in the Armed Forces:

Acceptable documentation may include one of the following:

- A copy of the Family Member's Active Duty orders; or
- A letter of impending activation from the Family Member's commanding officer; or
- Other documentation in circumstances where, for Good Cause shown, the Covered Individual is unable to produce the Active Duty orders or letter of impending activation; and
- A statement of the family relationship between the Covered Service Member and the Covered Individual requesting benefits.
- Information from the Covered Individual that proves to Prudential's satisfaction of the identity of the Family Member;
- The name and address of the Family Member being cared for;
- The dates or period of time for which leave is requested; and
- The underlying reason for the exigency leave.

Family Leave to Care for a Family Member who is a Covered Service Member:

Prudential may require a certification from the Covered Service Member's Health Care Provider that includes:

- The date on which the Covered Service Member's Serious Health Condition commenced;
- The probable duration of the Serious Health Condition;
- A statement that the Covered Individual is needed to care for the Family Member;
- An estimate of the amount of time the Covered Individual will be needed to care for the Covered Service Member;
- An attestation by the Covered Service Member's Health Care Provider and the Covered Individual that the Serious Health Condition is connected to the Covered Service Member's military service;
- A statement of the family relationship between the Covered Service Member and the Covered Individual;
- Information from the Covered Individual that proves to Prudential's satisfaction of the identity of the Family Member;

- The name and address of the Family Member being cared for; and
- Other information or documentation that may be required by Prudential.

Authorization.

The Covered Individual may be required to provide authorization to Prudential to share information with the Contract Holder and Health Care Provider in order to process the claim.

Extension of Paid Leave Benefits.

The Covered Individual may submit a request for extension of PFML to Prudential no greater than 14 calendar days prior to the date of expiration of the original approved leave.

If the request for extension is not made within 14 calendar days, the Covered Individual may file a late request for extension for Good Cause.

The request for an extension of leave must include the following information:

- The reason for the extension;
- The requested duration of the extended leave;
- The date on which the Covered Individual provided notice of the request for the extension; and
- A newly completed or updated health care certification for Medical or Family Leave that does not exceed the standards provided in 458 CMR 2.08(5).

Information Provided to the Contract Holder.

Prudential will provide the Contract Holder with information within five business days of:

- Notice or filing of a claim for benefits; or
- The request for an extension of leave

This information will include the following:

- the Covered Individual's name,
- the type of leave at issue,
- the expected duration of the leave or extension of leave,
- whether the request is for continuous or Intermittent Leave, and
- other information relevant to the claim.

Information that may be Requested from the Contract Holder.

Upon request, the Contract Holder must provide Prudential with information or records within ten business days from the date of:

- Notice or filing of a claim for benefits; or
- The request for an extension of leave

This information or records requested may include the following:

- (1) Wage or earnings information;
- (2) A description of the Covered Individual's position;
- (3) The Covered Individual's work schedule;
- (4) Whether the Covered Individual will receive any paid family or medical leave policy benefits from the Contract Holder during the requested extended leave period;
- (5) Whether the Contract Holder has approved or intends to approve the request for extension under the Family and Medical Leave Act or any other policy allowing for paid or unpaid leave; or
- (6) Any other relevant information or records related to the request for initial leave or extension, including but not limited to, evidence of a fraudulent claim.

Item (4), (5), and (6) above may be requested for an extension of leave.

Decisions.

Decisions for paid leave benefits will be made within 14 calendar days after Prudential receives the required information. Prudential will notify the Covered Individual what steps are necessary to complete the application within 14 calendar days if the required information is missing or incomplete. Failure to provide the required information may result in denial of the claim.

Prudential will require information to complete our review, including but not limited to:

- (a) Identifying information, such as Social Security Number or Individual Taxpayer Identification Number;
- (b) The nature of the leave, whether family leave or medical leave;
- (c) The starting date and expected duration of the leave;
- (d) Whether the leave will be continuous or intermittent; and
- (e) Complete certification.

Payments.

How Payments Start:

Prudential will make the payment to the Covered Individual within 14 calendar days after approving the leave, unless the approval decision is made more than 14 calendar days before the onset of leave or eligibility, in which case Prudential will pay the leave benefits as soon as leave or eligibility begins. No payments will be made for leave taken during the Waiting Period.

Payments will be made to the Covered Individual bi-weekly.

Contract Holder Reimbursement.

Under specific conditions, Prudential will pay the paid leave benefits to the Contract Holder instead of to the Covered Individual. This payment will be made to reimburse the Contract Holder for certain payments made by the Contract Holder to the Covered Individual during a period of Family or Medical Leave.

The Contract Holder will qualify for reimbursement if all of the following conditions are met:

- (1) The Contract Holder's payment is equal to or greater than the benefit payable under this Group Contract;
- (2) The payment is made from the Contract Holder's:
 - (a) temporary disability policy or program;
 - (b) paid family or medical leave policy;
 - (c) Extended Illness Leave bank; or
 - (d) Accrued Paid Leave program.
- (3) The programs listed in (2) above are paid to the Covered Individual while they are absent from work for a Qualifying Reason under M.G.L. c 175M.
- (4) The Contract Holder requests reimbursement from Prudential prior to Prudential's payment of benefits to the Covered Individual.

Overpayments.

Prudential has the right to recover any overpayments due to:

- fraud;
- any error Prudential makes in processing a claim; and
- the Covered Individual's receipt of offsets.

The Covered Individual must reimburse Prudential in full. Prudential will determine the method by which the repayment is to be made.

Prudential will not recover more money than the amount paid to the Covered Individual.

Appeals.

If a claim is denied, the Covered Individual has the right to appeal to Prudential within ten (10) calendar days of receipt of the denial. The ten (10) calendar days to file an appeal will not apply where an individual has established to Prudential's satisfaction that there were circumstances beyond the individual's control that prevented the filing of the appeal within that time period.

If Prudential denies the appeal, we will advise the Covered Individual in writing of the individual's right to appeal to the DFML. Such notice will include contact information for the DFML.

Prudential will furnish the DFML all application for benefits documentation within ten (10) business days of the request by the DFML in connection with an appeal of a denial of Family or Medical Leave benefits.

Attestations and False Statements.

Covered Individuals attest to the truthfulness of all statements and submissions made as part of the application process. No benefits will be payable if Prudential finds by a preponderance of the evidence that the individual willfully made a false statement or representation or willfully withheld a material fact in order to obtain benefits.

In determining whether an individual willfully made false statements, Prudential will consider the nature and cause of the false statement and the capacity of the particular individual to recognize the error resulting in the false statement. Factors considered shall include the individual's age and intelligence as well as any physical, mental, educational, or linguistic limitation, including lack of facility with the English language. A good faith mistake of fact by the individual in the filing of a claim for benefits does not constitute willfulness. A false statement shall be considered willful if the individual:

- furnishes information that the individual knew, or reasonably should have known, to be incorrect;
- fails to furnish information that the individual knew or reasonably should have known to be material; or
- accepts a payment that the individual knew, or reasonably should have known that the individual was not entitled to receive.

If Prudential finds that an individual received benefits on the basis of a false statement, it may require the individual to repay any benefits received. Employees who have been determined to have received benefits on the basis of a false statement shall not receive the protections and benefits of 458 CMR 2.16(1), (2), and (3).

Definitions

Accrued Paid Leave: Leave earned by or otherwise provided to a Covered Individual pursuant to a benefit plan or policy offered by an Employer or Covered Business Entity including, but not limited to, sick leave, annual leave, vacation leave, personal leave, compensatory leave or paid time off. Accrued paid leave shall not include a (i) disability policy or program of an Employer or Covered Business Entity; or (ii) paid family or medical leave policy of an Employer or Covered Business Entity.

Active Duty: For the purposes of administering paid leave under M.G.L. c. 175M, and 458 CMR 2.00, Active Duty means full-time duty in the active military service of the United States and full-time National Guard duty and deployed to a foreign country.

Adoption: Legally and permanently assuming the responsibility of raising a Child as one's own. The source of an adopted Child (*i.e.*, whether from a licensed placement agency or otherwise) is not a factor in determining eligibility for leave.

Associated Companies: Employers who are the Contract Holder's subsidiaries or affiliates.

Average Weekly Wage: Has the same meaning as provided in M.G.L. c. 151A, § 1(w); provided, however, that Average Weekly Wage shall be calculated using earnings from the Base Period; and provided further, that in the case of a self-employed individual, Average Weekly Wage shall mean 1/26 of the total earnings of the self-employed individual from the two highest quarters of the 12 months preceding such individual's application for benefits under M.G.L. c. 175M. If an individual has multiple Employers, the Average Weekly Wage will be calculated for each Employer or Covered Business Entity separately.

Average Working Week: The average number of hours worked from the two highest quarters of the 12 months preceding such individual's application for benefits under M.G.L. c. 175M.

Base Period: The last four completed calendar quarters within the previous five calendar quarters immediately preceding the date of a complete application for benefits is filed for a qualified period of paid family or medical leave. A completed calendar quarter is one for which an Employment and wage detail report has been or should have been filed for Employers who have not received an exemption from Contributions to the Trust Fund, pursuant to 458 CMR 2.04(1)-(2).

Benefit Year: The period of 52 consecutive weeks beginning on the Sunday immediately preceding the first day paid family or medical leave commences for the Covered Individual.

Child: A biological, Adopted or foster Child, a stepchild or legal ward, a Child to whom the Covered Individual stands *in loco parentis*, or a person to whom the Covered Individual stood *in loco parentis* when the person was a minor Child.

Continuing Treatment by a Health Care Provider: includes any one or more of the following:

- (a) Incapacity and treatment. A period of incapacity of more than three consecutive, full calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:

- (1) Treatment two or more times, within 30 calendar days of the first day of incapacity, unless extenuating circumstances exist, by a Health Care Provider, by a nurse under direct supervision of a Health Care Provider, or by a provider of health care services (e.g., physical therapist) under orders of, or on referral by, a Health Care Provider; or
- (2) Treatment by a Health Care Provider on at least one occasion, which results in a regimen of continuing treatment under the supervision of the Health Care Provider. Treatment includes examination to determine if there is a Serious Health Condition.

Treatment does not include routine physical examinations, eye examinations, or dental examinations. A regimen of continuing treatment includes a course of prescription medication or therapy requiring specialized equipment to resolve or alleviate the health condition.

- (3) The requirement for treatment by a Health Care Provider means an in-person or telehealth visit to a Health Care Provider. The first (or only) in-person or telehealth treatment visit must take place within seven calendar days of the first day of incapacity.
 - (4) Whether additional treatment visits or a regimen of continuing treatment is necessary within the 30-calendar day period shall be determined by the Health Care Provider.
 - (5) The term extenuating circumstances means circumstances beyond the Covered Individual's control that prevent the follow-up visit from occurring as planned by the Health Care Provider. Whether a given set of circumstances are extenuating depends on the facts. For example, extenuating circumstances exist if a Health Care Provider determines that a second in-person visit is needed within the 30-calendar day period, but the Health Care Provider does not have any available appointments during that time period.
- (b) Pregnancy or Prenatal Care. Any period of incapacity due to pregnancy, or for prenatal care.
- (c) Chronic Conditions. Any period of incapacity or treatment for such incapacity due to a chronic Serious Health Condition. A chronic Serious Health Condition is one which:
- (1) Requires periodic visits (defined as at least twice per calendar year) for treatment by a Health Care Provider, or by a nurse under direct supervision of a Health Care Provider;
 - (2) Continues over an extended period of time (including recurring episodes of a single underlying condition); and
 - (3) May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.).
- (d) Permanent or Long-term Conditions. A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective. The Covered Individual or the Covered Individual's Family Member must be under the continuing supervision of, but need not be receiving active treatment by, a Health Care Provider. Examples include Alzheimer's, a severe stroke, or the terminal stages of a disease.
- (e) Conditions Requiring Multiple Treatments. Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a Health Care Provider or by a provider of health care services under orders of, or on referral by, a Health Care Provider, for:
- (1) Restorative surgery after an accident or other injury; or

- (2) A condition that would likely result in a period of incapacity of more than three consecutive, full calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, etc.), severe arthritis (physical therapy), or kidney disease (dialysis).
- (f) Absences attributable to incapacity under Continuing Treatment by a Health Care Provider (b) or (c) qualify for leave even though the Covered Individual or the covered Family Member does not receive treatment from a Health Care Provider during the absence, and even if the absence does not last more than three consecutive, full calendar days.
- (g) Cosmetic treatments are not Serious Health Conditions unless inpatient hospital care is required or unless complications develop.

Contributions: The payments made by an Employer, a Covered Business Entity, a Covered Individual to the Family and Employment Security Trust Fund, as required by M.G.L. c. 175M, or Contributions to a private plan while the private plan is in effect.

Covered Business Entity: A business or trade that contracts with self-employed individuals for services and is required to report the payment for services to such individuals on IRS Form 1099-MISC for more than 50% of its workforce.

Covered Contract Worker: A self-employed individual:

- (a) for whom an Employer or Covered Business Entity is required to report payment for services on IRS Form 1099-MISC;
- (b) for whom an Employer or Covered Business Entity is required to remit Contributions;
- (c) who performs services as an individual in Massachusetts;
- (d) who resides in Massachusetts; and
- (e) who is not classified as an independent contractor pursuant to M.G.L. c. 151A, § 2.

Covered Individual: Covered Individuals are those workers that are included under the Contract. Covered individuals must include the following individuals who meet the eligibility requirements of the PFML statute and regulations:

- All the Employer's Employees providing services in Massachusetts, including full-time, part-time, permanent, temporary, on call, per diem or seasonal employees who meet the minimum eligibility requirements under the MA PFML Law;
- former employees of the employer for not more than 26 weeks after separation or until re-employed, whichever comes first; and
- All Covered Contract Workers, if applicable, if the Employer is a Covered Business Entity

Covered Service Member: either:

- (a) a member of the Armed Forces, as defined in M.G.L. c. 4, § 7, including a member of the National Guard or Reserves, who is:
 - (1) undergoing medical treatment, recuperation or therapy;
 - (2) otherwise in outpatient status; or

- (3) is otherwise on the temporary disability retired list for a serious injury or illness that was incurred by the member in the line of duty on Active Duty in the Armed Forces, or a serious injury or illness that existed before the beginning of the member's Active Duty and was aggravated by service in the line of duty on Active Duty in the Armed Forces; or
- (b) a former member of the Armed Forces, including a former member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy for a serious injury or illness that was incurred by the member in line of duty on Active Duty in the Armed Forces, or a serious injury or illness that existed before the beginning of the member's Active Duty and was aggravated by service in line of duty on Active Duty in the Armed Forces and manifested before or after the member was discharged or released from service.

The Department of Family and Medical Leave (DFML): The state agency established in M.G.L. c. 175M, § 8.

Director: The Director of the Department of Family and Medical Leave.

Domestic Partner: A person not less than 18 years of age who:

- (a) is dependent upon the Covered Individual for support as shown by either unilateral dependence or mutual interdependence that is evidenced by a nexus of factors including, but not limited to:
 - 1. common ownership of real or personal property;
 - 2. common householding;
 - 3. children in common;
 - 4. signs of intent to marry;
 - 5. shared budgeting; and
 - 6. the length of the personal relationship with the Covered Individual; or
- (b) has registered as the Domestic Partner of the Covered Individual with any registry of domestic partnerships maintained by the Employer of either party, or in any state, county, city, town or village in the United States.

Earnings from Self-employment, or Income from Self-Employment: Shall have the same meaning as "net Earnings from Self-Employment", as defined in the Internal Revenue Code § 1402(a) as amended and in effect for the taxable year, and the implementing regulations thereunder.

Eligibility Date: This term means the earliest date the Covered Individual is eligible for coverage under this Contract, and the Covered Individual has satisfied all requirements for coverage to begin.

Employee: This term means any individual employed by any Employer subject to M.G.L. c. 151A, § 1(h); provided, however, that notwithstanding M.G.L. c. 151A, § 1(h); or any other special or general law to the contrary, Employee shall include a family child care provider, as defined in M.G.L. c. 15D, § 17(a).

Employer: Refers to the Employer Contract Holder. The term Employer shall have the same meaning as provided in M.G.L. c. 151A § 1(i), provided, however, that

- (a) an individual Employer shall be determined by the Federal Employer Identification Number;
- (b) the Department of Early Education and Care shall be deemed the Employer of family child care providers, as defined in M.G.L. c. 15D, § 17(a); provided further, that the PCA Quality Home Care Workforce Council established in M.G.L. c. 118E, § 71 shall be the Employer of personal care attendants, as defined in M.G.L. c. 118E, § 70.

Employment: Shall have the same meaning as provided by M.G.L. c. 151A, § 1(k); provided, further, that Employment shall not include any service not included in "Employment" pursuant to M.G.L. c. 151A, § 6.

Employment Benefits: All benefits provided or made available to Covered Individuals by an Employer or Covered Business Entity, if any, including, but not limited to, group life insurance, health insurance, disability insurance, sick leave, annual or vacation leave, educational benefits and pensions.

Extended Illness Leave Bank: A voluntary program where covered individuals may donate accrued leave time to fund a bank for the benefit of a co-worker experiencing a Qualifying Reason under M.G.L. c. 175M.

Family Leave: Leave taken to care for a Family Member with a Serious Health Condition, for a Parent to bond with the Parent's Child during the first 12 months after the child's birth, Adoption, or Foster Care placement, to care for a Family Member who is a Covered Service Member, or because of a Qualifying Exigency arising out of the fact that a Family Member is on Active Duty or has been notified of an impending call or order to Active Duty in the Armed Forces.

Family Leave Benefits: Wage replacement paid to a Covered Individual while the Covered Individual is on Family Leave under the Contract.

Family Member: The spouse, Domestic Partner, Child, Parent or Parent of a spouse or Domestic Partner of the Covered Individual; a person who stood *in loco parentis* to the Covered Individual when the Covered Individual was a minor Child; or a grandchild, Grandparent or Sibling of the Covered Individual.

Former Member of the Armed Forces: An individual who was a member of the Armed Forces, including a member of the National Guard or Reserves, and was discharged or released at any time during the five-year period prior to the first date the covered individual completes an application for benefits to care for the former member of the Armed Forces.

Foster Care: 24-hour care for children in substitution for and away from their Parents or guardian. Such placement is made by or with the agreement of Massachusetts or any other state, commonwealth, or territory as a result of a voluntary agreement between the Parent and guardian that the Child be removed from the home, or pursuant to a judicial determination of the necessity for Foster Care, and involves agreement between Massachusetts or any other state, commonwealth, or territory and foster family that the foster family will care for the Child. Although Foster Care may be with relatives of the Child, State action is involved in the removal of the Child from parental custody.

Good Cause: A demonstration by a party that a failure to comply with a requirement of M.G.L. c. 175M, and 458 CMR 2.00 was due to circumstances beyond the party's control.

Grandparent: A Parent of the Covered Individual's Parent.

Gross Weekly Payment: The benefit amount before Prudential subtracts offsets.

Health Care Provider: An individual licensed by the state, commonwealth, or territory in which the individual practices to practice medicine, surgery, dentistry, chiropractic, podiatry, midwifery or osteopathy, and including the following:

- (a) Podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist) authorized to practice in by a State and performing within the scope of their practice as defined under the law of that state, commonwealth, or territory;
- (b) Nurse practitioners, nurse-midwives, clinical social workers and physician assistants who are authorized to practice under State law and who are performing within the scope of their practice as defined under the law of that state, commonwealth, or territory;
- (c) Christian Science Practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts.
- (d) A Health Care Provider listed above who practices in a country other than the United States, who is authorized to practice in accordance with the law of that country, and who is performing within the scope of the person's practice as defined under such law.

Incapacity: An inability to perform the functions of one's position, or where the covered individual is a former employee, to perform the functions of one's most recent position or other suitable Employment as that term is defined under M.G.L. c. 151A, § 25(c), due to the Serious Health Condition, treatment therefor, or recovery therefrom.

Inpatient Care: An overnight stay in a hospital, hospice, or residential medical care facility, including any period of incapacity, or any subsequent treatment in connection with such inpatient care.

Intermittent Leave: Leave taken in separate periods of time due to a single Qualifying Reason, rather than for one continuous period of time. Examples of Intermittent Leave include leave taken on an occasional basis for medical appointments or leave taken several days at a time spread over a period of months.

Maximum Weekly Benefit: The maximum benefit amount for which the Covered Individual is insured under this Contract as shown in the Benefits Highlights.

Medical Leave: Leave taken by a Covered Individual due to a Serious Health Condition.

Medical Leave Benefits: Wage replacement paid to a Covered Individual while the Covered Individual is on medical leave under the Contract.

Minimum Weekly Benefit Amount: The minimum amount of wage replacement that may be paid to a Covered Individual on a weekly basis while the Covered Individual is on family or medical leave, as provided in M.G.L. c. 175M, § 3.

Parent: The biological, adoptive, step- or foster mother or father of the Covered Individual.

Pay Period: The shortest pay period used by a business or trade for regular payments to any group of Covered Individuals of the business or trade.

Qualifying Earnings:

- (a) Wages paid to an Employee;
- (b) payments by covered business entities to Covered Contract Workers; and
- (c) Earnings from Self-Employment on which a self-employed individual is making contributions pursuant to 458 CMR 2.06.

Qualifying Exigency: A need arising out of a Covered Individual's Family Member's Active Duty service or notice of an impending call or order to Active Duty in the Armed Forces, including, but not limited to, providing for the care or other needs of the military member's Child or other Family Member, making financial or legal arrangements for the military member, attending counseling, attending military events or ceremonies, spending time with the military member during a rest and recuperation leave or following return from deployment or making arrangements following the death of the military member.

Qualifying Reason: Any of the following reasons for which a Covered Individual is eligible for family or medical leave benefits: to bond with a Child during the first 12 months after the Child's birth, Adoption, or Foster Care placement; to care for a Family Member's Serious Health Condition; to care for a family member who is a Covered Service Member; a Qualifying Exigency arising out of a Family Member's Active Duty or impending call to Active Duty in the Armed Forces; or the Covered Individual's own Serious Health Condition that incapacitates the individual from performing the essential functions of the individual's job.

Reduced Leave Schedule: A leave schedule that reduces the usual number of hours per workweek, or hours per workday, of a Covered Individual.

Self-employed Individual: A sole proprietor, sole member of a limited liability company or limited liability partnership or an individual whose net profit or loss from a business is required to be reported to the Massachusetts Department of Revenue; provided, however, that such individual resides in Massachusetts.

Serious Health Condition: An illness, injury, impairment or physical or mental condition that involves:

- (a) inpatient care in a hospital, hospice or residential medical facility; or
- (b) Continuing Treatment by a Health Care Provider.

A substance use disorder may be a Serious Health Condition. Family or medical leave may only be taken for treatment for substance use disorder by a Health Care Provider, by a provider of health care services on referral by a Health Care Provider or by a program licensed or approved by the Massachusetts Department of Public Health. An absence because of the Employee's use of the substance, rather than for treatment, does not qualify for leave.

Sibling: The biological, adoptive, step-brother or step-sister of a Covered Individual.

State Average Weekly Wage: The Average Weekly Wage in Massachusetts calculated under M.G.L. c. 151A, § 29(a) and determined by the Director of the Massachusetts Department of Unemployment Assistance.

Trust Fund: The Family and Employment Security Trust Fund established in M.G.L. c. 175M, § 7.

Wages: Shall have the same meaning as provided in M.G.L. c. 151A, § 1(s).

Weekly Benefit Amount: The amount of wage replacement that will be paid to a Covered Individual on a weekly basis while the Covered Individual is on family or medical leave under the terms of the Contract.

Weekly Payment: Payment after any offsets have been subtracted from the Gross Weekly Payment.

Massachusetts Paid Family and Medical Leave Application

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA (PRUDENTIAL)

For Group Contract No. CG-70078-MA

Applicant: FRANKLIN COVEY CO.

Address: 2200 West Parkway Blvd., Salt Lake City, Utah 84119

The Group Contract is approved, and its terms are accepted.

This Application is made in duplicate. One is attached to the Group Contract. The other is to be returned to Prudential.

It is agreed that this Application replaces any previous Application for the Group Contract.

FRANKLIN COVEY CO.

(Full or Corporate Name of Applicant)

Dated at _____

By _____
(Signature and Title)

On _____

Witness _____
(To be signed by Resident Agent where required by law)