SUMMARY PLAN DESCRIPTION
SHORT-TERM DISABILITY BENEFIT PLAN
FOR EMPLOYEES OF
UNIVERSITY OF SOUTHERN CALIFORNIA
(EFFECTIVE FOR DISABILITIES COMMENCING ON OR AFTER JANUARY 1, 2007)

I. WHO IS ELIGIBLE FOR PARTICIPATION?

If you are a eligible Employee working 50% time or more in the United States, you are eligible for participation in this Plan. Employees working in California must participate in USC’s California Voluntary Disability Plan (The Voluntary Plan) in order to be eligible for participation in this Plan, provided that if you cease to participate in the Voluntary Plan during the calendar year, you will not be ineligible to participate in this Plan for the remainder of the year.

II. WHEN DOES PARTICIPATION COMMENCE?

Eligible individuals will be covered as of their date of employment, unless coverage is rejected in writing.

Any employee who has rejected coverage or who has withdrawn from the Plan and who subsequently elects to be covered under the Plan may participate by enrolling during the Open Enrollment period (held in November of each year). Coverage will begin on January 1st of each year or as determined by USC. If you rejected coverage or withdrew from the Plan and subsequently enroll during Open Enrollment, you will not receive benefits for any disability which begins during the first twelve (12) months after your coverage begins if the disability is caused by or contributed to or results from a pre-existing condition. Your condition is pre-existing if you received medical treatment, consultation, care or services (including diagnostic measures) or took prescribed drugs or medicines for this condition in the six (6) months immediately prior to the effective date of your coverage.

If you are not working in accordance with your normal work schedule on the day or during the period you would ordinarily become covered by the Plan, your coverage will not become effective until you have returned to your normal work schedule.

III. WHEN DOES PARTICIPATION CEASE?

Your participation shall cease upon the earliest of the following dates:

A. On the date of termination of employment (including permanent layoff or reduction in force where definite rehire date is given); or at 12:00 midnight on the 15th day following the commencement of a personal leave of absence without pay (excluding such a leave of absence qualified and approved in accordance with the Family Medical Leave Act of 1993 or the California Family Rights Act) or a temporary layoff (definite rehire date
given) without pay.

B. On the date you cease to be an eligible employee.

C. On the date of termination of the Plan.

D. On January 1st following the Open Enrollment period in which you reject coverage under the Plan.

E. On the effective date of an election to cease participation in the Plan that is made in accordance with the University of Southern California Code Section 125 Plan.

IV. WHAT IS THE COST OF THE PLAN AND WHO PAYS FOR IT?

The Plan is entirely employee funded. Employee contributions are on a pre-tax basis. Employees will be notified of the plan contribution rate no later than December 31st of each year.

If you are a California employee and you withdraw from the USC Voluntary Plan of Short Term Disability Benefits for California Employees, you will continue to make contributions to this Plan until the end of the calendar year subject to Section III above. Those contributions will be used to pay for your participation in the California State Disability Insurance Plan (SDI).

V. WHAT ARE THE BENEFITS?

A. Classification and Amount of Benefits

If you are an eligible employee and you are unable to work due to a Disability (as defined herein), you will receive a biweekly/monthly benefit as shown below:

1. Benefit Class 1 - Employees who have completed less than fifty-two (52) weeks of active employment will receive the “Basic” STD Plan level of benefits, as follows:

   Commencing with the first (1st) compensable day of Disability, Benefit Class 1 Employees will receive a weekly benefit equal to 70% of your Wages, subject to a maximum weekly benefit of $766.00 and a minimum benefit of $64.00.

2. Benefit Class 2 – Benefits eligible employees who have completed fifty-two (52) weeks or more of active employment and have not elected the optional coverage under USC’s Supplemental STD Plan will receive the “Basic” STD Plan level of benefits, as follows:

   Commencing with the first (1st) compensable day of Disability, Benefit Class 2 Employees will receive a weekly benefit equal to 70% of your Wages, subject to a maximum weekly benefit of $766.00 and a minimum benefit of $64.00.
3. Benefit Class 3 - Benefits eligible employees who have completed fifty-two (52) weeks or more of active employment and who have elected the optional coverage under USC’s Supplemental STD Plan will receive benefits as follows:

Commencing with the first (1st) compensable day (See Section 3.02) of Disability, Benefit Class 3 Employees will receive a weekly benefit in accordance with their length of service, as follows:

<table>
<thead>
<tr>
<th>If Length of Service is:</th>
<th>Maximum Duration of Benefits at 100% of Wages</th>
<th>Maximum Duration of Benefits at 80% of Wages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year but less than 2 years</td>
<td>1 Week</td>
<td>51 Weeks</td>
</tr>
<tr>
<td>2 years but less than 3 years</td>
<td>2 Weeks</td>
<td>50 Weeks</td>
</tr>
<tr>
<td>3 years but less than 4 years</td>
<td>3 Weeks</td>
<td>49 Weeks</td>
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<td>4 years but less than 5 years</td>
<td>4 Weeks</td>
<td>48 Weeks</td>
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<tr>
<td>5 years but less than 6 years</td>
<td>5 Weeks</td>
<td>47 Weeks</td>
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<tr>
<td>6 years but less than 7 years</td>
<td>6 Weeks</td>
<td>46 Weeks</td>
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<tr>
<td>7 years but less than 8 years</td>
<td>7 Weeks</td>
<td>45 Weeks</td>
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<tr>
<td>8 years but less than 9 years</td>
<td>8 Weeks</td>
<td>44 Weeks</td>
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<tr>
<td>9 years but less than 10 years</td>
<td>9 Weeks</td>
<td>43 Weeks</td>
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<tr>
<td>10 years or more</td>
<td>10 Weeks</td>
<td>42 Weeks</td>
</tr>
</tbody>
</table>

4. Benefit Class 4 - Benefits eligible employees who have completed 52 weeks or more of active employment and who have withdrawn from the USC’s California Voluntary Disability Plan will receive the “Basic” STD Plan level of benefits.

Commencing with the first (1st) compensable day of weekly Disability, Benefit Class 4 employees will receive a benefit equal to 70% of your wages, subject to a maximum weekly benefit of $766.00 and a minimum benefit of $64.00.

Wages or Regular Wages for the purpose of benefit determination, are basic compensation paid to you by your Employer (excluding for example overtime, shift differential pay bonuses, commission, monies paid in which the University is acting solely as the common paymaster and not as employer, etc) during the last completed payroll period immediately prior to the date of commencement of your disability.
For each day of any period of Disability for which benefits are paid and which is less than a full week, the amount of benefit payable shall be divided by seven (7) in order to determine the weekly benefit to which you would otherwise be entitled.

B. Commencement of Benefits

Benefits will commence on the eighth (8th) day of Disability.

C. Duration of Benefits

Your benefit payments shall continue until one of the following occurs:

1. You have exhausted the full fifty-two (52) weeks of Disability.
2. Determination by the Claims Administrator that a Disability no longer exists (i.e., recovery, no longer disabled). This determination shall be based on objective medical evidence.
3. Refusal to undergo an examination or to furnish information within thirty (30) days following written notice by the Claims or Plan Administrator.
4. The date you (a) are either no longer under the regular and continuous care and treatment of a licensed Physician, or (b) refuse to follow the treatment plan recommended by your attending physician.
5. Death.
6. Termination of the Plan.

D. Maximum Benefit

The maximum period payable under this Plan is fifty-two (52) weeks of Disability. The weekly benefits payable under this Plan are integrated with (i.e., reduced by) other benefit sources in Paragraph E below.

E. Reductions Because of Other Benefits Payable

Your benefit payment from this Plan will be integrated with (i.e., reduced by) any benefits which are payable from the following:

1. Social Security (Retirement and/or Disability), including benefits payable to you or your family as a result of your Disability or Retirement.
2. State Disability Plan or any Plan providing Disability payments pursuant to a compulsory benefit act or law, where applicable, including the USC California Voluntary Plan.
3. Workers' Compensation and other similar Disability payments required by law, including without limitation, payments attributable to temporary Disability,
permanent and or partial disabilities, vocational rehabilitation payments, maintenance allowance, amounts awarded or allocated to future medical expenses, Compromise and Release settlements, and lump sum settlements.

4. Any government plan (Retirement and/or Disability), including benefits payable to your family as a result of your Disability /Retirement.

5. Amounts received or awarded because you were injured by a third party, and any amounts received or awarded under any no fault or wage loss provision of an insurance contract.

6. Benefits under any Disability benefits program for which the University or any other employer makes contributions or direct payment to covered employees.

7. Any wages or remuneration payable from the University, other employer, or self-employment. Employees who elect to receive wages for a nine (9) month period will be determined to receive wage payments during the twelve (12) months covered by their contract.

8. Any retirement or pension benefits, or similar remuneration you receive or are entitled to receive, at or after attaining age 65 excluding amounts attributable to loans, hardship renewals or distributions of voluntary contributions.

In the event that an overpayment exists because your Plan benefits were not sufficiently reduced by any of the above mentioned reductions at the time they were paid, the Plan Administrator will recalculate the claims and inform you of its findings. Any overpayment will become payable by you, immediately upon request.

If you either choose not to apply for, elect to defer or fail to diligently request any of the above benefits, for which you may be eligible, the Plan Administrator will reduce your benefits on the basis that you had received the benefit on the earliest date you were eligible.

If, however, you do diligently apply for and/or request any of the above benefits for which you may be eligible and you provide the Plan Administrator with written evidence of these applications and/or requests, the Plan Administrator shall have the option of having you sign a promise to repay, agreeing to pay the Plan the appropriate integrable amount of the "other benefits" payable. If you sign the promise to repay, the Plan Administrator will pay you the full Plan benefits while you are waiting for your "other benefits" payments. Failure to sign the promise to repay will result in a delay or denial in the payment of all or some of your benefits payable under this Plan.

E. Definition of Wages for Benefit Determination

The term "Wages", as used herein for the purposes of benefit determination, shall mean basic compensation paid to you by the University (excluding for example overtime, shift differential pay, bonuses, commissions and monies paid in which the University is acting solely as the common paymaster and not as an employer, etc.) during the last completed payroll period immediately prior to the date of commencement of your Disability.
F. **Definition of Disability**

A Disability exists when any physical or mental illness or injury prevents you from performing your usual and customary work, and you are under the regular and continuous care of a licensed physician operating within the scope of his/her license. A condition caused or contributed to by pregnancy or childbirth is treated the same as any other Disability.

Regular and continuous care means you have been regularly examined by your physician at home, at the physician's office or at the hospital for the condition causing the Disability, at a frequency consistent with your illness as determined by the Claims Administrator.

Two (2) consecutive periods of Disability due to the same or related cause or condition and separated by a period of not more than fourteen (14) days shall be considered as one disability benefit period.

Your Disability determination shall be made by the Claims Administrator on the basis of objective medical evidence. Such determination shall be made at intervals as determined by the Claims Administrator.

VI. **WHAT ARE THE EXCLUSIONS AND LIMITATIONS?**

You receive Short-Term Disability Plan benefits only if your Disability commences while you are an eligible employee and are participating in the Plan.

A. Payments for disabilities resulting from alcohol or drug abuse are limited:

1. If you have been referred or recommended by competent medical authority to participate as a resident of an approved alcoholism recovery home, and in the absence of any other disabling condition, benefits while receiving alcoholism recovery treatment, while a full-time resident in an approved recovery program, will be paid for a period not to exceed thirty (30) days, and shall be eligible for Disability benefits for an additional period not in excess of sixty (60) days, if the referring physician certifies to the need for continuing resident services; or

2. If you have been referred or recommended by competent medical authority to participate in an approved drug-free residential facility, and in the absence of any other disabling condition, benefits while receiving such drug recovery treatment will be paid for a period not to exceed forty-five (45) days, and shall be eligible for Disability benefits for an additional period not to exceed forty-five (45) days if the referring physician certifies to the need for continuing resident services.

B. No benefits are payable:

1. If you are confined, pursuant to commitment or court order, or certification, in an institution, or other place, as a dipsomaniac, drug addict, or sexual psychopath.
2. For any period of Disability for which benefits are paid or payable under any Unemployment Compensation Act of the United States or of any state.

3. For an illness or injury caused by participation in a violent disorder, assault, any criminal act or an illegal occupation.

4. For an intentionally self-inflicted injury, while sane or insane.

5. For an illness or injury due to war or any act of war, declared or undeclared, or insurrection if you are a member of the armed services, except during any period of up to thirty (30) days while traveling overseas on University business.

6. For an illness or injury for which you are not under the continuous care and treatment of a duly qualified physician and in compliance with your treatment program.

7. If you are unable to perform your regular or customary work, are not wholly disabled, and you were offered alternative employment by the University that is of comparable status and compensation to your previous occupation and you declined the alternative employment offer.

8. If you a) are incarcerated in any federal, state, or municipal penal institution, jail, medical facility, public or private hospital, or in any other place because of a criminal conviction of a federal, state, or municipal law or ordinance or b) commit a crime and are disabled due to an illness or injury, caused by, or arising out of the commission of, arrest, investigation, or prosecution of any crime that results in a felony conviction.

9. Unless and until the Claims Administrator has received objective medical evidence in support of Disability. Such objective medical evidence includes, but is not limited to, data and records from your attending physician, narrative reports, x-ray and other laboratory findings, and consulting physician reports. This information is required at the initiation of your claim and periodically thereafter as reasonably requested by the Claims Administrator.

10. For any day for which the Employee receives Wages from your employer (excluding vacation pay), except that such benefits will be paid for any seven-day week or partial week, in an amount not to exceed his or her maximum weekly amount provided by this Plan, which together with the Wages received, does not exceed your weekly Wage, exclusive of Wages paid for overtime, immediately prior to the commencement of your Disability.

11. During any period in which you would not otherwise have been scheduled to perform services.

12. For any pre-existing condition described in II above.
VII. WHEN SHOULD I FILE FOR BENEFITS?

You should initiate your claim for benefits as soon as you believe your Disability will last eight (8) days or more, but in any event, no later than sixty (60) days from the first date of your Disability.

VIII. HOW DO I FILE A CLAIM FOR BENEFITS?

In order to file a claim for Short-Term Disability benefits available under this Plan, you must take these steps:

A. Call our Claims Administrator, VPA, Inc. at (800) 495-2315 to establish your claim.

B. Have your Attending Physician call the same toll-free 800 number to provide medical certification of your Disability. If your physician will not call our administrator, call VPA and request them to fax a Physician's Certificate to your doctor.

To avoid delay, you should file your claim as soon as possible, but in any event, no later than the sixtieth (60th) day of Disability. Claims filed later than sixty (60) days, without just cause, may be denied by the Claims Administrator.

The University or its authorized Claims Administrator shall have the right to (A) require supplemental forms from the physician as often as deemed necessary, and (B) require you be examined by an Independent Medical Examiner or other provider while you are claiming benefits under this Plan. This may be done when and as often as may be reasonably required during the period payments may be due under this Plan. Supplemental forms, extensions of Disability, or other information requested by the Claims Administrator must be filed within thirty (30) days of date requested or your claim may be denied.

IX. HOW AND WHEN ARE PAYMENTS MADE?

After receiving all the necessary claim information (claim form, additional documentation, employer verification, etc.), the Claims Administrator will process your claim within five (5) working days.

When your claim is complete and valid in all respects, the Claim Administrator will calculate the amount of your benefit payment and forward information to the Plan Administrator. Any delays in issuing your first payment, due to missing or incomplete information, will be communicated to you and/or the University. Subsequent payments will be issued in accordance with your normal payroll cycle by the Plan Administrator, provided your claim is still approved and is complete in all respects at that time. At the time you receive each payment, an explanatory statement prepared by the Claims Administrator will be forwarded to you.

X. IF I DISAGREE WITH THE DECISION ON MY CLAIM, WHAT CAN I DO ABOUT IT?

A. The Claims Administrator is responsible for evaluating all claims for reimbursement under the Plan.
The Claims Administrator will decide your claim within a reasonable time not longer than 45 days after it is received. This time period may be extended for up to two additional 30-day periods for a maximum of 105 days after the claim is received for matters beyond the control of the Claims Administrator, including cases where a claim is incomplete. You will receive written notice of any extension, including the reasons for the extension and the date by which the Claims Administrator expects to render its decision. The notice of extension also will explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim and the additional information needed to resolve those issues, and notice that you will be afforded at least forty-five (45) days within which to provide the specified information. The Claims Administrator may secure independent medical or other advice and require such other evidence, as it deems necessary to decide your claim.

If the Claims Administrator denies your claim in whole or in part, you or your authorized representative will be furnished with a written notice of adverse benefit determination setting forth:

1. the specific reason or reasons for the denial
2. reference to the specific Plan provision on which the denial is based,
3. a description of any additional material or information necessary for you to complete your claim and an explanation of why such material or information is necessary, and
4. appropriate information as to the steps to be taken if you wish to appeal the Claims Administrator’s determination, including your right to submit written comments and have them considered, your right to review (on request and at no charge) relevant documents and other information, and your right to file suit under ERISA with respect to any adverse determination after appeal of your claim.
5. A copy of any internal rule, guideline, protocol or other similar criteria relied on in denying the claim or a statement that such rule, guideline, protocol or other similar criteria was relied on in denying the claim and that a copy of it will be provided without charge upon request.

B. Appealing Denied Claims

If your claim is denied in whole or in part, you or your authorized representative may appeal to the Claims Administrator for a review of the denied claim. Your appeal must be made in writing within 180 days of the Claims Administrator’s initial notice of adverse benefit determination, or else you will lose the right to appeal your denial. If you do not appeal on time, you will also lose your right to file suit in court, as you will have failed to exhaust your administrative appeal rights, which is generally a prerequisite to bringing suit.
Your written request for a review must be mailed to the address below:

VPA, Inc.
Manager, Short-Term Disability
P.O. Box 9830
Calabasas, CA 91372-0830

Your written appeal should state the reasons that you feel your claim should not have been denied. It should include any additional facts and/or documents that you feel support your claim. You may also ask additional questions and make written comments, and you may review (on request and at no charge) documents and other information relevant to your appeal. The Claims Administrator will review all written comments you submit with your appeal.

C. Review of Appeal

The Claims Administrator will review and decide your appeal within a reasonable time not longer than 45 days after it is submitted and will notify you of its decision in writing. However, if additional information is required to complete its review of your appeal, they may, with prior written notice, extend the review period for up to an additional forty-five (45) days for a maximum of ninety (90) days. The notice of extension will include the reasons for the extension and the date by which the Claims Administrator expects to render its decision. The individual who decides your appeal will not be the same individual who decided your initial claim denial and will not be that individual’s subordinate. The Claims Administrator may secure independent medical or other advice and require such other evidence, as it deems necessary to decide your appeal, except that any healthcare professional consulted in connection with your appeal will not be the same individual who was consulted in connection with your initial claim denial nor that individual’s subordinate. (The identity of a healthcare professional consulted in connection with your appeal will be provided.) If the decision on appeal affirms the initial denial of your claim, you will be furnished with a notice of adverse benefit determination on review setting forth:

1. the specific reason(s) for the denial,

2. the specific Plan provision(s) on which the decision is based,

3. a statement of your right to review (on request and at no charge) relevant documents and other information relating to your claim,

4. If the Claims Administrator relied on an “internal rule, guideline, protocol, or other similar criterion” in making the decision, a copy of the specific rule, guideline, protocol, or other similar criterion, or a statement that such a rule, guideline, protocol or similar criterion was relied on and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to you upon request,” and

5. a statement of your right to bring suit under Section 502(a) of the Employee Retirement Income Security Act of 1974.
D. Following receipt of VPA's decision, if you are still dissatisfied you may appeal the decision to the Plan Administrator. Your appeal should be in writing and addressed to:

University of Southern California
Disability Office
Denny Research Building, 376
Los Angeles, CA 90089-1114
Attn: Doug Moore

Following receipt of your request, the University will conduct a complete review of your case in accordance with the procedure outlined in X. C. above.

XI. CERTAIN RIGHTS UNDER ERISA

As a Participant in this Plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA specifies that you shall be entitled to:

A. Examine without charge at the Plan Administrator's office, all Plan Documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.

B. Obtain copies of all Plan Documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.

C. Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant upon request with a copy of this summary annual report at no charge.

In addition to creating rights for Plan Participants, ERISA imposes obligations upon the individuals who are responsible for the operation of the Plan. The individuals who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently, and in the interest of the Plan Participants and beneficiaries. No one, including the University or any other person, may fire a participating Employee or otherwise discriminate against a participating employee in any way to prevent the Employee from obtaining a benefit under the Plan or from exercising his or her rights under ERISA.

If your claim for a benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim. Under ERISA there are steps that you can take to enforce the above rights. For instance, if you request materials from the Plan and you do not receive them within thirty (30) days, you may file suit in a federal court.

In such a case, the court may require the Plan Administrator to provide the materials and to pay you up to one-hundred and ten dollars ($110.00) per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.
If it should happen that the Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds the claim or suit frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor Management Administration, Department of Labor.

XII. MISCELLANEOUS INFORMATION ABOUT THE PLAN

<table>
<thead>
<tr>
<th>PLAN</th>
<th>University of Southern California Self-Insured Short-Term Disability Benefit Plan</th>
<th>EMPLOYER FEDERAL TAX ID NUMBER</th>
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<td>EMPLOYER</td>
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<td>95-1642394</td>
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<td>FUNDING MEDIUM</td>
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<td>The Plan is funded by Employee contributions to an Account which are determined to be the amount necessary to fund the promised benefits.</td>
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<td>ORIGINAL PLAN EFFECTIVE DATE</td>
<td>January 1, 2000</td>
<td>University of Southern California Denney Research Building, 376 Los Angeles, CA 90089-1114</td>
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<tr>
<td>AGENT FOR SERVICE OF LEGAL PROCESS</td>
<td></td>
<td>VPA, Inc. P.O. Box 9830 Calabasas, CA 91372-0830</td>
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<tr>
<td>PLAN ADMINISTRATOR/P PLAN FIDUCIARY</td>
<td>University of Southern California Denney Research Building, 376 Los Angeles, CA 90089-1114</td>
<td>DELEGATED CLAIMS ADMINISTRATOR</td>
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<td>PLAN NUMBER</td>
<td>526</td>
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<td>FISCAL YEAR OF THE PLAN</td>
<td></td>
<td>The fiscal year of the Plan is from July 1 to June 30</td>
</tr>
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</table>

The Company reserves the right, at any time and from time to time, to amend or terminate, in whole or in part, any or all of the provisions of the Plan by a written instrument signed by an officer of the Plan Administrator. Any amendment or termination of the Plan may be made retroactive to the Effective Date, if necessary.

In the event of any difference between the interpretation of this Summary Plan Description and the Plan Document, the Plan Document will govern. A copy of the Plan Document is available for your review at the USC Disability Department.