

Short Term Disability

Short Term Disability at a Glance

- Teradyne's Short Term Disability (STD) Plan provides you with replacement income if you are hospitalized overnight or out of work because of a non-work related illness or accident. Benefits start after you have been out of work for five consecutive workdays, or the day you are hospitalized overnight. You'll receive 75 percent of your covered salary for the first 90 days of your disability, and 60 percent for the next 90 days (in California, this may be the next 275 days).
- You're eligible for STD coverage if you are a regular employee scheduled to work at least 20 hours a week.

Teradyne pays for coverage up to \$50,000 of your salary per year. You may purchase additional coverage above that amount.

Who's Eligible for Short Term Disability

To participate in Teradyne's Short Term Disability (STD) Plan, you must be a regular employee scheduled to work at least 20 hours a week.

Additionally, if you earn at least part of your wages in CA, you may decide at any time to opt out of the Teradyne STD plan and enroll in the California SDI program.

The STD Plan is an income protection plan that provides you with replacement income if you're hospitalized overnight or if you're out of work due to a non-work-related illness or accident.

Basic Short Term Disability

If you are an eligible employee, you are automatically enrolled in the basic plan. Teradyne pays the full cost for this coverage. The basic plan covers your salary up to \$50,000 per year. The bi-weekly benefit you may receive from the basic portion of the plan is shown in this chart:

Days of Disability	Bi-Weekly Payment for Basic Short Term Disability (up to \$50,000)
Day 1 through Day 90	75% of salary up to a maximum of \$1,442.31 per 2 week pay period
Day 91 through Day 180*	60% of salary up to a maximum of \$1,153.85 per 2 week pay period

**This may be through Day 365 if you're a California resident.*

A Word About Short Term Disability and Legal Requirements in the State of California

- The state of CA has a legally mandated short term disability program that is a payroll tax (SDI – state disability insurance)
- California does allow employers to opt out of the state plan provided that Teradyne offers a plan with certain provisions
- Covers up to the CA mandated wage ceiling
- Is better than the state plan in some way

Teradyne has opted out of the state program and offers our own. We have been better than the state benefit in that:

- Teradyne's plan provides a larger benefit when paid Teradyne maintains a better benefit than the state with respect to cost and benefit amount generally, SDI pays about 55% of eligible wages. Teradyne's plan pays either 75% (for the first 90 days) and, if needed, 60% (for the next 275 days)
- Teradyne provides coverage on wages up to \$50,000 at no cost to employees. Our employees always have a choice to opt out of Teradyne's plan, but you cannot choose to waive coverage completely. You must have either Teradyne's plan or SDI.

There is a cost to CA employees for coverage above \$50,000. The cost for is \$0.24 per thousand per month, currently the same charge as for Supplemental STD. This cost will be on an increasing wage ceiling for the coming years and thus, the overall cost may increase annually. SDI costs 1.0 percent in 2020 from first dollar on salary, Teradyne charges \$0.24 per thousand per month on wages above \$50,000 to the California wage base required (for 2020, \$122,909).

Supplemental Short Term Disability

If you choose to cover your salary in excess of \$50,000 when you are hired, you must indicate that you wish to enroll in supplemental STD insurance in the appropriate section on DirectLink screens. If you don't apply for supplemental STD insurance within 30 days of your hire date, and decide to enroll at a later date, you will need to wait until the annual open enrollment period to elect coverage.

California employees, may purchase Supplemental STD above the California wage base (for 2020, \$122,909).

Coverage Beyond STD

The STD plan protects your income for the first 180 days of disability. If you are a California resident, STD provides income protection for as long as the first 365 days of disability.

If your disability extends longer than your STD coverage benefits, you may qualify for long term disability benefits. Please refer to the Long Term Disability policy.

Short Term Disability Benefit Amount

For the first 90 days of disability, you'll receive 75 percent of your covered salary. For the next 90 days (275 days for California residents), you'll receive 60 percent of your covered salary. Your covered salary is your base pay.

Social Security taxes and income taxes are withheld only on the portion that is paid through the Basic Short Term Disability Plan. All other regular deductions will be taken from your pay.

Your check will be mailed to your home. If you have direct deposit, your money will be deposited into the bank account that you have designated.

Partial Disability Benefits

Before you have recovered completely from your short term disability, your doctor may recommend rehabilitative work. You may receive a partial disability income benefit for up to a maximum of eight weeks.

When STD Benefits Are Paid

You'll receive STD benefits if you have been disabled for at least five consecutive workdays, or if you're hospitalized, starting the day you're admitted to the hospital for an overnight stay. If you enter the hospital on a non-workday, your benefits will begin on the first workday that follows your admission.

Short Term Disability Requirements

In order to receive disability payments, you must be:

- Under a doctor's regular care; and
- Seen by the doctor at least once a month.

Throughout your disability, you and your doctor will be required to submit medical documentation reporting the status of your disability, progress, and projected date to return to work. In some circumstances, you may be asked to take an independent medical examination at no expense. If you don't submit evidence when required or refuse an independent medical examination, your benefits will be terminated.

STD Limitations

No payment will be made under this plan for any disability:

- Resulting from any illness or injury covered under any workers' compensation law or similar legislation;
- Resulting from any illness or injury covered under any Unemployment Compensation Act of the United States or any state; or
- That is not certified by a physician, optometrist, dentist, osteopath, chiropractor, podiatrist, qualified licensed psychologist, licensed nurse-midwife, or nurse practitioner.

Also, no payment will be made to an individual who:

- Is incarcerated in any federal, state, or municipal penal institution, jail, medical facility, hospital, or in any other place because of a criminal conviction of a federal, state, or municipal law or ordinance; or
- Commits a crime and is disabled because of illness or injury caused by, or arising out of the commission, arrest, investigation, or prosecution of any crime that results in a felony conviction;

- **How to File an Short Term Disability Claim**

Teradyne has partnered with Lincoln Financial Group to administrator our leaves as of April 1, 2019. For an employee to initiate a claim for Short Term Disability (STD) or Family Medical Leave (FMLA), they would contact Lincoln directly at 1-888-408-7300 or they can apply online at www.mylincolnportal.com - Company Code Teradyne

Continuing STD Coverage

Coverage During Absences

During any period of paid absence, your STD coverage remains in effect.

Coverage After Termination of Employment or Leave of Absence

If your employment with Teradyne is terminated, STD coverage ends on your last day of work.

Resumption of Coverage

- If, after returning to work, you are disabled again by the same illness or injury within 10 consecutive working days, your STD income will begin immediately following proof of disability from your doctor.
- If you are disabled with a different disability, you must be hospitalized or out of work for at least five consecutive workdays before you are eligible to begin another disability period. In this case, you and your doctor must provide new documentation, including a new claim form.

While on Short Term Disability

During the time you are out on short term disability, your other employee benefits will continue. All your regular deductions will be taken from your disability pay. Stock Purchase Plan and Savings Plan Plus deductions will be based on your disability income and not your regular pay.

FMLA

The Family and Medical Leave Act of 1993 (FMLA) allows employees to take unpaid or paid leave for up to 12 weeks in any 12-month period for the:

- Birth of a child;
- Placement of a child for adoption or foster care;
- Serious health condition of a parent, spouse, or child; or
- Employee's own serious health condition.

Any time used for disability in any 12-month period counts toward the eligible 12-week total.

California Paid Family Leave

The California state mandated Paid Family Leave (PFL) provides some income for up to six weeks to individuals who take time off from work to care for a seriously ill child, spouse, parent, domestic partner or to bond with a new child. PFL must coordinate with other leaves such as FMLA, the Family Medical Leave Act, CFRA, the California Family Rights Act, and CA PDL, the California Pregnancy Disability Act. Because Teradyne has a voluntary plan for short-term disability, Teradyne also administers the Paid Family Leave plan. Teradyne passes the cost of this state required benefit through to employees.

Employees that waive Supplemental Short Term Disability coverage outside of California will only be covered under Basic Short Term Disability, which is 75% of \$50,000 for the first 13 weeks and 60% of \$50,000 for weeks 14-26.

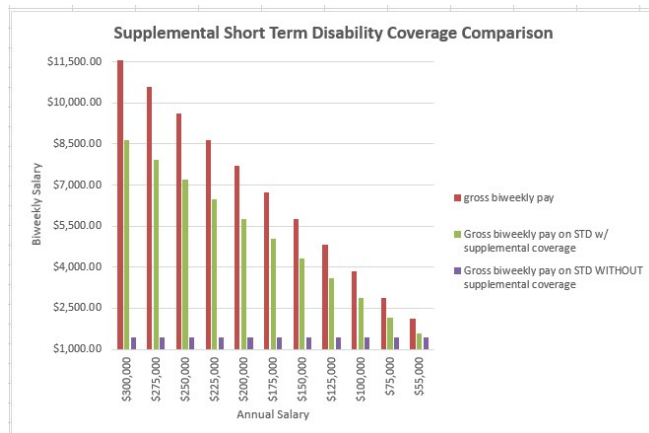
Employees in California that waive this coverage will be covered at 75% of the state wage base for the first 13 weeks and 60% of the state wage base for weeks 14-52. The state wage base for 2020 is \$122,909.

Employees often think only catastrophic events would cause them to require disability insurance. The reality is that any non-work related illness or condition in which you have an overnight hospital stay or are out of work for 5 consecutive days in which a doctor deems you disabled would also fall under this policy.

Please review the table & graph below for your annual salary to understand what your biweekly pay would be **with & without** STD coverage.

Employees outside California:

annual base salary	gross biweekly pay	Gross biweekly pay on STD w/ supplemental coverage	Gross biweekly pay on STD WITHOUT supplemental coverage	approximate biweekly cost of supplemental coverage
\$300,000	\$11,538.46	\$8,653.85	\$1,442.31	\$27.69
\$275,000	\$10,576.92	\$7,932.69	\$1,442.31	\$24.92
\$250,000	\$9,615.38	\$7,211.54	\$1,442.31	\$22.15
\$225,000	\$8,653.85	\$6,490.38	\$1,442.31	\$19.38
\$200,000	\$7,692.31	\$5,769.23	\$1,442.31	\$16.62
\$175,000	\$6,730.77	\$5,048.08	\$1,442.31	\$13.85
\$150,000	\$5,769.23	\$4,326.92	\$1,442.31	\$11.08
\$125,000	\$4,807.69	\$3,605.77	\$1,442.31	\$8.31
\$100,000	\$3,846.15	\$2,884.62	\$1,442.31	\$5.54
\$75,000	\$2,884.62	\$2,163.46	\$1,442.31	\$2.77
\$55,000	\$2,115.38	\$1,586.54	\$1,442.31	\$0.55



Employees in California:

annual base salary	gross biweekly pay	Gross biweekly pay on STD w/ supplemental coverage	Gross biweekly pay on STD WITHOUT supplemental coverage	approximate biweekly cost of supplemental coverage
300,000	\$11,538.46	\$8,653.85	\$3,545.45	\$19.61
275,000	\$10,576.92	\$7,932.69	\$3,545.45	\$16.84
250,000	\$9,615.38	\$7,211.54	\$3,545.45	\$14.07
225,000	\$8,653.85	\$6,490.38	\$3,545.45	\$11.30
200,000	\$7,692.31	\$5,769.23	\$3,545.45	\$8.53
175,000	\$6,730.77	\$5,048.08	\$3,545.45	\$5.76
150,000	\$5,769.23	\$4,326.92	\$3,545.45	\$2.99
125,000	\$4,807.69	\$3,605.77	\$3,545.45	\$0.22

