CITY OF SAN DIEGO
SELF-FUNDED EMPLOYEES' LONG-TERM DISABILITY INCOME PLAN

(Amended and Restated Effective July 1, 1995)

Amendment

The City of San Diego Self-Funded Employees' Long-Term Disability Income Plan is amended as follows, effective July 20, 2012:

1. Article IV, ELIGIBILITY FOR LONG-TERM DISABILITY BENEFITS, is amended by amending section 4.01 to read as follows:

4.01 ELIGIBLE EMPLOYEE

(A) Eligible Employee means (1) an elected officer of the City, or (2) an employee in a permanent or limited, full-time or part-time position with a standard number of work hours each bi-weekly period, who is eligible to participate in either the San Diego City Employees' Retirement System (SDCERS) or the Interim Defined Contribution Plan for employees initially hired or assuming office on or after July 20, 2012. There are three categories of Eligible Employee, as defined below:

General Member means an Eligible Employee who is not a Safety Member-or an Elected Officer.

Safety Member means an Eligible Employee who is: (1) a sworn officer of the City Police Department, (2) a uniformed member of the City Fire Department, or (3) a full-time City lifeguard. Police Cadets, persons sworn for limited purposes only, and all other employees of the Police and Fire Department and Lifeguard Service are General Members.

Elected Officer means the Mayor, the City Attorney, or a member of the City Council.

(B) No change in text.

2. Article V, BENEFITS, is amended by amending section 5.01 to read as follows:

5.01 DISABILITY BENEFITS

Long-Term Disability benefits are payable as of the first day after the Elimination Period in accordance with the following:

(A) For General Members:

(1) The Long-Term Disability Plan benefit is 70% of basic bi-weekly earnings as defined in Section 5.05, less all Other Income Benefits, payable for the length of the time specified below:

Age at Disability	Duration of Benefits
60 or younger	To age 65
61 through 65	5 years
66	4 years
67	3.5 years
68	3 years
69	2.5 years
70	2 years
71	1.75 years
72	1.5 years
73	1.25 years
74 or older	1 year

(2) Long-Term Disability Plan benefits will be reduced if at age 65 total benefits from the Long-Term Disability Plan and all ~~O~~ther Income Benefits, as defined in Section 5.05, exceed 70% of basic bi-weekly earnings on date of disability so that total income will not exceed 70% of earnings.

(B) For Safety Members

The Long-Term Disability Plan Benefit is:

(1) If Total Disability occurs before the Normal Retirement Date (age 55), 70% of basic bi-weekly earnings, less all other Income Benefits, as defined in Section 5.05, payable to Normal Retirement Date.

(2) No change in text.

(3) No change in text.

(C) [No change in text.]

CITY OF SAN DIEGO

SELF-FUNDED EMPLOYEES' LONG-TERM DISABILITY INCOME PLAN

Amended and Restated
Effective July 1, 1995

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City of San Diego

Self-Funded Long-Term Disability Income Plan

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Introduction

The City of San Diego's Self-Funded Long-Term Disability Income Plan, as amended and restated here, constitutes a continuation of the Plan as originally effective September 4, 1981. The Plan has been established for the benefit of its eligible employees.

Effective July 1, 1995, the Plan is amended and restated to comply with previously agreed upon Meet and Confer items.

City of San Diego

Self-Funded Long-Term Disability Income Plan

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ARTICLE I

PURPOSE

1.01 PURPOSE

This Plan is established solely for the purpose of providing Long-Term Disability Income benefits to eligible employees.

ARTICLE II

DEFINITIONS

The following words and phrases, as used herein, shall have the following meanings unless a different meaning is plainly required by the context.

2.01 ADMINISTRATOR shall mean the City Manager or Designee in accordance with Article VII.

2.02 BASIC BI-WEEKLY EARNINGS shall mean the basic bi-weekly earnings in effect on disability date paid by the City to an eligible employee including deferred compensation and, exclusive of overtime, bonuses, and all other extraordinary compensation. Refer to Section 5.12.

2.03 CITY means City of San Diego.

2.04 DISABILITY DATE is the first day you become totally disabled due to a physical or mental condition, subject to medical disablement certification.

2.05 EFFECTIVE DATE OF THE PLAN is September 4, 1981.

2.06 ELIGIBLE EMPLOYEE is defined in Section 4.01.

2.07 ELIMINATION PERIOD is defined in Section 4.02.

2.08 LEGISLATIVE OFFICERS are the Mayor of the City and City Councilmembers.

2.09 HOSPITAL means an institution operated for the care and treatment of sick or injured persons and which is legally constituted and licensed. It must also meet all of the following requirements.

- Must be supervised by a medical staff of legally qualified physicians and must have 24-hour nursing service by registered graduate nurses.

- Must be a state or federal institution for care and treatment of mental illness, nervous disorders, alcoholism, or drug addiction, or must have organized facilities for diagnosis and major surgery.

2.10 NORMAL RETIREMENT DATE is defined in Section 5.01.

2.11 PARTICIPANT means any Eligible Employee who participates in the Plan in accordance with Article III.

2.12 PHYSICIAN CERTIFYING for the purpose of certifying disability, physician shall mean only a person who is licensed to practice medicine and surgery as a doctor of medicine, M.D., or as a doctor of osteopathy, D.O. This requirement can be waived on individual case basis if the facts warrant such an exception being made.

2.13 PHYSICIAN TREATING for the purpose of treating disability, physician shall mean a person who is licensed to practice medicine and surgery as a doctor of medicine, M.D., or as a doctor of osteopathy, D.O. While acting within the scope of his or her license, physician shall include a person licensed to practice as a dentist, as a podiatrist, as a chiropractor, as a clinical psychologist or as an optometrist.

2.14 PLAN means City of San Diego's Self-Funded Employees' Long-Term Disability Income Plan for Eligible Employees as set forth herein.

2.15 THIRD PARTY means any person or organization who causes illness or injury to any participant who is covered under a City sponsored health or dental plan or this plan and/or any of the Third Party's insurers including liability, homeowners and auto insurance contracts.

2.16 TOTAL DISABILITY is defined in Section 4.03.

Wherever used herein, a pronoun or adjective in the masculine gender includes the feminine gender and a pronoun or adjective in the feminine gender includes the masculine gender unless the context clearly indicates otherwise.

ARTICLE III

PARTICIPATION

3.01 PARTICIPATION

Participation shall continue for as long as the Participant remains an Eligible Employee. Participation shall continue while a Participant is on a medical leave of absence of up to thirty (30) days. Participation shall not be deemed continuous if an Eligible Employee is on a non-medical leave of absence.

If otherwise eligible, Participants shall maintain their eligibility for coverage after their effective date of retirement from the City Employees' Retirement System as defined by Plan provisions.

Participation shall cease upon termination of employment, or absence of more than 30 days unless such termination or leave of absence is due to Total Disability as defined in Section 4.03. If participation ceases as a result of a leave of absence, eligibility will begin again upon return to work. There is no requirement for repeating the twelve (12) month eligibility.

For the purpose of this section, Plan participation will cease on the day the participant fails to return to active employment as scheduled.

ARTICLE IV

ELIGIBILITY FOR LONG-TERM DISABILITY BENEFITS

4.01 ELIGIBLE EMPLOYEE

(A) Eligible employee shall mean employees in a permanent/limited, full time/part-time position with a standard number of employment hours each bi-weekly period covered under the City's payroll; and they are categorized as General Members, Safety Members, Legislative Officers, or other Unclassified Employees as follows:

General Member means any employee who is not a safety member and makes contributions to the San Diego City Employees' Retirement System (hereafter referred to as "CERS");

Safety Member means any employee who contributes to CERS who is either a regular sworn officer of the Police Department of the City, a uniformed member of the Fire Department of the City, or a full-time employed lifeguard of the City; provided, however, that Police Cadets, persons sworn for limited purposes only, and all other members of the Police and Fire Department and Lifeguard Service shall not be considered Safety Members for the purposes of this article;

Legislative Officers who are eligible to participate in the Legislative Officers' Retirement Plan (hereafter referred to as "LORP";

Unclassified Employees are also eligible for plan participation whether or not they participate in CERS.

(B) All employees who are eligible for the plan prior to the effective date of the plan are automatically covered under the plan on such date, all other employees will join the plan twelve (12) consecutive months after they first become Eligible Employees. The twelve month eligibility waiting period need only be satisfied once. If an employee takes a leave of absence, eligibility will begin again upon return to work. There is no requirement for repeating the twelve (12) month eligibility. The twelve month eligibility waiting period must be repeated only in the event of termination of the employment relationship and subsequent rehire.

The 12-month eligibility waiting period is waived for occupational disability.

4.02 ELIMINATION PERIOD

(A) A first (original) date of commencement of benefits for Long-Term Disability is established on a date thirty (30) consecutive days from the date following the date of disability. If a Participant returns to work and subsequently suffers a recurrence of the disability, a revised date of commencement of benefits is established as outlined below:

(1) A Participant may work up to five (5) work days in an Elimination Period without having to renew the Elimination Period.

(2) If the Participant works any portion of one (1) day through five (5) days during the thirty (30) days following the date of disability and suffers a recurrence of the disability during the Elimination Period, the one (1) day through five (5) days of work shall be included in the Elimination Period and the first date of commencement of benefits remains unchanged.

(3) If the Participant works more than five (5) days during the thirty (30) days following the date of disability and suffers a recurrence of the disability during the thirty (30) day period, all work days over five (5) will be added to the first (original) date of commencement of benefits to establish the revised first date of commencement of benefits for Long-Term Disability.

(4) If the Participant works one (1) or more days during the thirty (30) days following the date of disability, works beyond this thirty (30) day period, and suffers a recurrence of the same disability within sixty (60) days following the date of disability, all work days over five (5) during the thirty (30) days following the date of disability shall be added to the last date worked to establish the revised date of commencement of benefits for Long-Term Disability. Under no circumstances, however, shall the revised date of commencement of benefits occur more than sixty (60) days after the original date of disability.

(5) If the Participant suffers a disability, meets the requirements of the Elimination Period, receives Long-Term Disability Benefits and/or is eligible for Long-Term Disability Benefits offset by Industrial Leave, and returns to work and suffers a recurrence of the disability within twelve (12) months of the date of return to work, then the Elimination Period shall be waived. The Elimination Period waiver applies to recurrence only, not to a new or different disability.

4.03 DURATION OF LONG-TERM DISABILITY BENEFITS

Each Eligible Employee who is a Participant shall be entitled to be paid from the Plan the bi-weekly disability benefit determined in Article V during the period specified. A participant will be considered totally disabled if:

(A) The Participant is certified by a licensed physician that he is unable to perform any and/or all of the duties of the employee's present occupation during the twelve (12) consecutive months' income payout period immediately following disability.

(B) After the first twelve (12) months of disability, the Participant is unable to engage in any gainful occupation or employment for which the Participant is or becomes reasonably fitted by education, training or experience.

(C) Benefit payments are restrictive to a lifetime total of twenty-four (24) months in the case of non-confined mental and nervous disorder related disabilities.

ARTICLE V

BENEFITS

5.01 DISABILITY BENEFITS

Long-Term Disability benefits are payable as of the first day after the Elimination Period in accordance with the following:

(A) For General Members

(1) Long-Term Disability benefits described below apply to the following General Members:

(a) General Member employees who are participants under CERS;

(b) Unclassified General Member employees who do not elect to participate in CERS;

(2) The Long-Term Disability Plan benefit is 70% of basic bi-weekly earnings as defined in Section 5.05, less all Other Income Benefits, payable for the length of the time specified below:

Age at Disability	Duration of Benefits
60 or younger	To age 65
61 through 65	5 years
66	4 years
67	3.5 years
68	3 years
69	2.5 years
70	2 years
71	1.75 years
72	1.5 years
73	1.25 years
74 or older	1 year

(3) Long-Term Disability Plan benefits will be reduced if at age 65 total benefits from the Long-Term Disability Plan and all other Income Benefits, as defined in Section 5.05, exceed 70% of basic bi-weekly earnings on date of disability so that total income will not exceed 70% of earnings.

(B) For Safety Members

(1) For Safety Member employees who are participants under CERS, the disability benefits are as follows:

(a) If Total Disability occurs before the Normal Retirement Date (age 55), 70% of basic bi-weekly earnings, less all other Income Benefits, as defined in Section 5.05, payable to Normal Retirement Date.

(b) If Total Disability occurs on or after age 55 and before age 61, the CERS Service benefit based upon all eligible City employment will become payable under CERS, and no benefits will be payable under the Plan.

(c) If Total Disability occurs on or after age 61, the employee will receive 70% of basic bi-weekly earnings, less all Other Income Benefits, payable for the length of time described in the following schedule:

Age at Disability	Duration of Benefits
61 through 65	5 years
66	4 years
67	3.5 years
68	3 years
69	2.5 years
70	2 years
71	1.75 years
72	1.5 years
73	1.25 years
74 or older	1 year

(2) For unclassified Safety Member employees who do not elect to participate in CERS, the disability benefits are as follows:

(a) If Total Disability occurs before the Normal Retirement Date (age 55), 70% of basic bi-weekly earnings, less all Other Income Benefits, as defined in Section 5.05, payable to Normal Retirement Date.

(b) If Total Disability occurs on or after age 55 but before age 61, a benefit from the Plan equal to their CERS benefit based on years of service from date of disability to Normal Retirement Date, less Other Income Benefits but excluding Social Security benefits.

(c) If Total Disability occurs on or after age 61, 70% of basic bi-weekly earnings, less all Other Income Benefits, as defined in Section 5.05, payable for the length of time described in the following schedule:

Age at Disability	Duration of Benefits
61 through 65	5 years
66	4 years
67	3.5 years
68	3 years
69	2.5 years
70	2 years
71	1.75 years
72	1.5 years
73	1.25 years
74 or older	1 year

(C) For Legislative Officers

(1) For Legislative Officers participating in the Legislative Officers Retirement Plan, the disability benefits are as follows:

(a) If Total Disability occurs before the Normal Retirement Date (age 60), 70% of basic bi-weekly earnings, less all Other Income Benefits, as defined in Section 5.05, payable to Normal Retirement Date.

(b) If Total Disability occurs at age 60, this Plan will provide a Long-Term Disability benefit equal to the LORP service benefit based upon all possible service from the officer's effective date of office to Normal Retirement Date, less all Other Income Benefits, as defined in Section 5.05 (excluding Social Security benefits).

(c) If Total Disability occurs after age 60, the Plan will provide a Long-Term Disability benefit equal to 70% of basic bi-weekly earnings, less all Other Income Benefits, payable for the length of time described in the following schedule:

Age at Disability	Duration of Benefits
61 through 65	5 years
66	4 years
67	3.5 years
68	3 years
69	2.5 years
70	2 years
71	1.75 years
72	1.5 years
73	1.25 years
74 or older	1 year

(2) For Legislative Officers not participating in the Legislative Officers' Retirement Plan, the disability benefits are as follows:

(a) If Total Disability occurs before the Normal Retirement Date (age 60), 70% of basic bi-weekly earnings, less all other Income Benefits, as defined in Section 5.05, payable to Normal Retirement Date.

(b) If Total Disability occurs at age 60, this Plan will provide a Long-Term Disability benefit equal to 70% of basic bi-weekly earnings, less LORP benefits they would have received.

(c) If Total Disability occurs after age 60, the Plan will provide a Long-Term Disability benefit equal to 70% of basic bi-weekly earnings, less all Other Income Benefits, payable for the length of time specified below:

Age at Disability	Duration of Benefits
61 through 65	5 years
66	4 years
67	3.5 years
68	3 years
69	2.5 years
70	2 years
71	1.75 years
72	1.5 years
73	1.25 years
74 or older	1 year

(3) Long-Term Disability Plan benefits will be reduced if at age 65 total benefits from the Long-Term Disability Plan and all Other Income Benefits, as defined in Section 5.05, exceed 70% of basic bi-weekly earnings on date of disability so that total income will not exceed 70% of earnings.

5.02 RIGHT OF RECOVERY AND REIMBURSEMENT

The City of San Diego has the right to recover and subrogate from and against Third Parties or persons, as well as their agents or insurers, any payments made by the plan.

5.03 DEATH BENEFIT

(A) A disability benefit that is not subject to any reduction of Other Income Benefits, as defined in Section 5.05, will be payable to the surviving spouse and/or the surviving children, and continued for ninety (90) days, or may be paid in one lump sum, after the death of a disabled employee who is receiving the disability benefits.

(B) The Long-Term Disability Death Benefit, is a benefit continuation and applies only upon the death of a Participant who is receiving Long-Term Disability benefit payments at the time of death. No Death Benefit payment shall be made unless there is a qualified spouse and/or dependent children. "Eligible dependent", for the purpose of this subsection, shall mean dependents of Participants limited to:

(1) Participant's "legal" spouse;

(2) Participant's unmarried child or children, including legally adopted children and step-children living with the Participant in a regular parent-child relationship, under nineteen (19) years of age; and

(3) Any unmarried children under twenty-three (23) years of age who are enrolled as full-time students in accredited educational institutions and who are dependent on the Participant for not less than fifty percent (50%) of their support and maintenance.

(4) The term "eligible dependent" shall not include any person who is in full-time military service.

The Death Benefit referred to shall be counted as ninety (90) days beginning with the first full day after the death.

5.04 SPECIAL DISMEMBERMENT BENEFITS

The amount of Long-Term Disability benefits as determined in Section 5.01 will be payable to the Eligible Employees as follows:

(A) Benefits will be payable to an Eligible Employee for the period of thirty (30) months if the employee suffers the severance of both entire hands, feet, sight of both eyes, or one entire hand and foot; or

(B) benefits will be payable for six (6) months if the Eligible Employee suffers the loss of one entire hand, one entire foot or sight of one eye.

5.05 OTHER INCOME BENEFITS

(A) The term "Other Income Benefits" as used in Section 5.01 refers to income benefits available under the following conditions:

(1) any group policy of accident and health insurance providing benefits for loss of time from employment because of disability which has been provided by the City or any other employer or with respect to which the City or any other employer shall have made payroll deductions;

(2) any plan, fund or other arrangement, by whatever name called, providing benefits for loss of time from employment because of disability pursuant to any compulsory benefit act or law of any government, other than Social Security Act, and the Railroad Retirement Act;

(3) any Workers' Compensation temporary disability benefit including rehabilitation benefits as further defined in Section 5.06, City's liability or similar law. Compensation received for permanent disability is excluded;

(4) any disability benefit, under a retirement program to which the City or other employer makes contributions;

(5) 100% of the primary and family insurance amount under the Federal Social Security Act or the Railroad Retirement Act, as in effect on the date of total disability commenced, on account of the Participant's disability. Automatic increases in any such benefits after the date the total disability commenced shall not affect the amount of disability benefit payable under this Plan;

(6) any earnings from employment (or self-employment);

(7) any earnings from government-sponsored plans, such as Veterans Administration, armed forces, etc., providing income replacement or disability benefits relevant to the current disabling condition;

(8) rehabilitation program earnings, short-term disability, temporary disability, industrial leave, sick leave and other similar disability benefits, by whatever name called;

(9) any service retirement benefit under a City of San Diego retirement program to which the employer makes contributions; and

(10) lump-sum payoffs such as sick leave, annual leave, or compensatory time paid prior to an effective retirement date, and pay-in-lieu of vacation constitute other income benefits and are offsetting income sources.

(B) The following rules and decisions apply to Other Income Benefits:

(1) Any income benefits to which the Participant is entitled under any of the above plans or programs, but for which the Participant does not make timely or proper application, will be considered as available for purposes of this Section.

(2) The Plan Administrator shall advise Participants to make timely application for all other available income benefits. Upon proof provided by the Participant that he or she has applied for other available income benefits, the Plan Administrator may, at his or her sole discretion, temporarily delay the application of offsets for a reasonable period of time until the other income is actually received by the Participant. Should a Participant not make timely application for other available income benefits, the Plan Administrator shall proceed with offsetting Participant's Long-Term Disability Benefits by an estimated amount to be received even though the other income benefit has not been received by the Participant.

(C) Excluded from other income benefits are:

(1) Individual disability policies that are paid for by the individual directly and are not purchased through any group sponsorship or offering.

(2) Disability policies making direct payments for loans, life insurance, etc.

5.06 RETURN TO WORK INCENTIVES

It is the intent of the City to encourage participation in Light Duty, Vocational Rehabilitation or return to work on a limited basis. Medical documentation certifying the employees ability to return to work under these conditions, must be provided.

(A) Light Duty

(1) For the purpose of this Plan, Participation in the City's Light Duty Program shall not be considered a disability status. Therefore, a Participant placed in a Light Duty position shall not receive Long-Term Disability payments, nor will time spent in a Light Duty position count toward a Participant's payments.

(2) Should medical documentation be provided by either the Participant's physician or Employer's physician which allows the Participant to return to work in a Light Duty position, and the Employer offers the Participant a Light Duty position, but the Participant refuses to report to work in the Light Duty position, then Long-Term Disability payments shall cease;

(B) Limited Basis - when referring to work means returning to the full range of normal work duties at less than the customary work schedule, such as one-half (1/2) or three-quarter (3/4) time for a full-time employee. It does not refer to a modified or light duty, i.e., less that the full range of normal work duties.

(1) If the Participant returns to work on a limited basis as part of a plan of rehabilitation recommended and supervised by a licensed physician only 50% of any salary, wages, commissions or other remuneration received or entitled to receive, from the rehabilitative employment for the period will be considered in determining the "Other Income Benefits".

(2) During this period a Participant must remain under the regular care and attendance of the physician and continue to be unable to perform the material duties of his regular occupation or employment.

(C) Long-Term Disability Vocational Rehabilitation

The Long-Term Disability Vocational Rehabilitation Program is a voluntary program and can not be made mandatory.

(1) Participants who have sustained an industrial injury/illness may participate in the Vocational Rehabilitation program as more completely described in Administrative Regulation 70.50, Administration of Vocational Rehabilitation Program.

(2) Long-Term Disability Benefits may be extended beyond the twelve (12) month period following the date of disability for industrial injuries/illnesses providing the following criteria are met:

(a) The Participant has been identified as a potential candidate as more clearly defined in Administrative Regulation 70.50.

(b) The objectives for rehabilitation and/or vocational retraining are:

1. Specifically defined and within realistic goals;

2. Subject to established time parameters for completion;

3. Approved by both the Vocational Rehabilitation and Long-Term Disability Income Plan Administrators; and

4. Commenced prior to the expiration of Long-Term Disability Benefits.

(c) Other supporting factors may be considered. Such factors include:

1. Retirement membership,

2. Years of City service,

3. Performance evaluations, and

4. The Participant's attitude and motivation.

(3) Participants who have sustained a non-industrial injury/illness shall be provided Vocational Rehabilitation services in order to return to City employment only. Vocational Rehabilitation services shall not be provided for employment outside the City. Long-Term Disability Benefits shall not be extended beyond the twelve (12) month period following the date of disability.

5.07 INFORMATION REQUESTED BY THE ADMINISTRATOR

Each Participant receiving a disability benefit shall furnish to the Administrator, upon request, the satisfactory information as to the amount he is receiving or entitled to receive under the Federal Social Security Act, the Railroad Retirement Act, or any Workers' Compensation Law or from any other source described in 5.02 (Third Party Recovery), 5.05 or 5.06 above.

In the event the participant fails or refuses to provide the requested information, or participant provides erroneous or misleading information, the Administrator will have the authority to withhold, correct or adjust benefit payments based upon the facts or data available.

5.08 ESTIMATED SOCIAL SECURITY BENEFITS

Until primary Social Security Disability Benefits are actually awarded or until notice of the denial of the appeal of the first denial is provided, Social Security Disability Benefits will be deemed to have been provided and an estimate of the amount of such benefits may be included in the computation of benefits payable. If it is reasonable to believe that the benefits and payments from other sources referred to above will be payable upon proper completion of the claim for them, or that such benefits would have been paid except for failure to pursue the claim in time, these benefits or payments will be deemed to have been provided and an estimate of the amount of these benefits or payments may be included in its computation of benefits payable.

If, after payments have commenced, it is discovered that benefits from other sources should have been considered in the computation, an appropriate adjustment will be made. Future payments may be reduced or eliminated instead of requiring a lump sum reimbursement. If the Participant is no longer receiving LTD benefits, the City will pursue reimbursement. If the Participant has received an underpayment, the City will make payment in a lump sum.

For the purpose of determining the deduction in accordance with Section 5.05 (A) (5), the Social Security Benefit will remain the same as the amount in effect on the date of disability.

5.09 BENEFIT EXCLUSIONS

The benefit provisions do not provide benefits for:

(A) Benefit accruals, if any, during eligibility, light duty status, or Elimination Period.

(B) Participants receiving Long-Term Disability benefits who reside outside the continental limits of the United States, Hawaii, or Alaska may become ineligible unless he/she can return upon request for physical evaluation and disablement certification.

(C) That portion of any period of disability when confined in any penal or correctional institution as a result of conviction for a criminal offense; or

(D) any total disability caused by

(1) war, whether declared or undeclared, or any act of war; or

(2) intentionally self-inflicted injury of any kind, while sane or insane; or

(3) participating in, or in consequence of having participated in, the commission of a felony.

(E) Any disability for which medical treatment was received within six (6) months prior to the effective date of coverage for the Participant. Such disability shall be covered after a period of twelve (12) consecutive months, ending while coverage is in force, during which period no medical treatment for such disability has been received, or after the Participant has been covered for a period of twelve (12) months, whichever occurs first, for employees who are eligible for this plan as of September 4, 1981, the provision is waived.

(F) Any industrial disability occurring on or after July 1, 1994 caused by employment with the City of San Diego unless:

(1) a period of twelve (12) months of Industrial Leave coverage has been exhausted for such disability. LTD coverage will then be approved for a maximum period of twelve (12) months while the Participant is medically certified as totally disabled as defined in Section 4.03 (B).

(G) Any disability occurring on or after July 1, 1994 caused by mental or nervous/stress disorders including any symptoms resulting from mental or nervous/stress disorders.

5.10 FLEXIBLE BENEFITS

(A) The City will continue to pay the Participant's flexible benefits up to a maximum of one year of combined industrial leave and/or Long Term Disability, if applicable. After the first year of combined industrial leave and/or Long Term Disability coverage, the City will pay only the participant's health and life insurance premiums. The premiums will be paid from the Long Term Disability Fund.

(B) For disabilities occurring on or after July 1, 1994, the City will continue to pay the Participant's flexible benefits for a maximum of one year. After the first year of Long Term Disability coverage, the City will pay only the Participant's health and life insurance premiums for a maximum of one additional year. The Participant will then be referred to COBRA for health coverage.

(C) The City shall pay the Participant's entitled flexible benefits while the Participant is receiving Long Term Disability Benefits even if the LTD benefit is 100% offset by other income benefits.

(D) Participants who are in a Long Term Disability status during the City's annual open enrollment for its Flexible Benefits Plan shall be enrolled in Flexible Benefits as required during open enrollment. Participants shall keep their current health and life insurance coverage, while receiving Long Term Disability. Participant's will be allowed to change health care plans provided the health care plans so stipulate.

5.11 PARTICIPANT PAYROLL DEDUCTION

(A) Participant deductions for Supplemental Pension Savings Plan, the City Employees' Retirement System, City of San Diego 401(k) Plan, Deferred Compensation and voluntary deductions shall not be made.

(1) To minimize the possibility of a lapse in coverage which could be financially disastrous to the Participant and/or his or her heirs, voluntary deductions shall be permitted for dependent health insurance and for supplemental and additional life insurance.

(2) The City shall not contribute to the Supplemental Pensions Savings Plan or the City Employees' Retirement System on behalf of Participants in a Long-Term Disability Benefits status. The City shall contribute to the City of San Diego 401(k) Plan to the extent provided by the City's Flexible Benefits Plan.

5.12 BENEFIT PAYMENT DETERMINATION

(A) Basic bi-weekly earnings paid to Participants by the City shall include amounts of deferred compensation, extra compensation for night or unusual schedule work shifts, motorcycle pay, and educational incentive pay which the Participant was receiving at the time of the disability. Basic bi-weekly salary shall not include overtime, standby, bonuses, out-of-class pay, Management Benefit Plan benefits, and any other extra compensation. A Participant shall not supplement Long-Term Disability Benefits with accrued sick leave, annual leave, or compensatory time earned.

(B) For Participants with work schedules other than eight (8) hours per day, Monday through Friday, Long-Term Disability Benefits shall start with the beginning of the next regularly scheduled work period.

(C) When annual leave, compensatory time, or sick leave was used during a period for which the Participant was eligible for Long-Term Disability Benefits.

(1) The Participant, upon receipt of notification from the Plan Administrator, shall respond within ten (10) days as to his or her selection of substituting Long-Term Disability Benefit status for the leave status, or the retention of the leave status in lieu of Long-Term Disability Benefit status.

(2) And the Participant selects to substitute Long-Term Disability Benefit status for the leave status taken, then the Plan Administrator shall cause the leave status taken to be reimbursed to the Participant at the rate of 70% within sixty (60) days of such Participant selection.

(3) And the Participant selects to retain the use of the leave status in lieu of Long-Term Disability Benefit status, then the leave status taken shall count toward the Participant's year of Long-Term Disability Benefits.

(4) And the Participant does not respond within the ten (10) day selection response period, then the Participant shall be treated as though he or she selected to retain the use of leave in lieu of Long-Term Disability Benefit status.

ARTICLE VI

CONTRIBUTIONS

6.01 CITY CONTRIBUTION

The City shall contribute to the Plan as required to pay benefits.

6.02 PARTICIPANT CONTRIBUTIONS

The Participants shall not be required to make any contributions.

6.03 LIABILITIES

Each Participant or other person who claims the right to any payment under the Plan is entitled to look only to the City for such payment. No liability for the payment of the benefits under the Plan will be imposed upon an employee of the City.

ARTICLE VII

ADMINISTRATION

7.01 ALLOCATION OF RESPONSIBILITY AMONG FIDUCIARIES FOR PLAN ADMINISTRATION

In general, the City shall have the sole responsibility for making the contributions provided for under Article VI, and the City Council shall have the sole authority to amend or terminate this Plan in whole or in part. The Administrator, under the direction of the City Manager, shall have the sole responsibility for the administration of this Plan, which responsibility is specifically described in this Plan. The Plan Administrator shall ensure that any directions given, information furnished, or action taken by it shall be in accordance with the provisions of the Plan authorizing or providing for such direction, information or action.

The City shall indemnify and hold harmless the Administrator to whom any fiduciary duty with respect to the Plan is allocated or delegated from and against any and all liabilities, claims, demands, costs, and expenses including attorney's fees, arising out of an alleged breach in the performance of their fiduciary duties under the Plan, other than such liabilities, claims, demands, costs and expenses as may result from the gross negligence or willful misconduct of such persons. The City shall have the right, but not the obligation, to conduct the defense of such persons in any proceeding to which this paragraph applies. In lieu of the foregoing, the City may satisfy its obligations under this paragraph through the purchase of a policy or policies of insurance providing equivalent protection.

7.02 COMMITTEE

The Plan may be administered by the City or by any person, including a Committee consisting of at least three individuals, but not more than five, appointed from time to time, with or without cause. Participants may be appointed to serve as Administrator. No employee will receive any additional compensation for his services as Administrator.

If a Committee is appointed to serve as Administrator, a majority of the members of the Committee at the time in office will constitute a quorum for the transaction of business. All resolutions adopted or other actions taken by the Committee at any meeting must be approved by the vote of a majority of the members of the Committee, but resolutions may be adopted or other actions taken without a meeting upon written consent signed by all members of the Committee. If at any time a majority of the individuals serving on such Committee and eligible to vote are unable to agree, or if there is only one such individual, any action required of the Committee will be taken by the City and its decision will be final. An individual serving on such Committee who is a Participant will not vote or act on any matter relating solely to himself.

7.03 LIABILITY & RESPONSIBILITIES OF THE ADMINISTRATOR

In discharging each of the duties and responsibilities assigned to it under this Plan, the Administrator shall act solely in the interests of the participants and beneficiaries of the Plan and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. In the exercise of any discretion the Committee shall not discriminate in favor of participants who are officers, or highly compensated employees.

7.04 CLAIMS PROCEDURE

(A) A written claim, on an application form made available by the Administrator, must be filed with the Administrator before any benefit shall be payable.

(1) For non-industrial claims, claim application forms must be filed with the Administrator within sixty (60) days of disability date, or within sixty (60) days of the date Participant first becomes aware of the disabling condition.

(2) For industrial claims, the sixty (60) day filing deadline will be waived providing the Participant filed his or her Workers' Compensation claim in a timely manner. However, subsection (1) above still applies; an application form must be filed before any benefit shall be payable.

(B) If a Participant's claim for a benefit is wholly or partially denied by the Administrator, written notice of the denial shall be given the Participant within ninety (90) days after the Administrator's receipt of the application.

(1) If more than ninety (90) days is needed to approve or deny the claim, the Administrator may extend the deadline by an additional ninety (90) days upon written notice to the Participant explaining why the extension is needed.

(C) The notice of denial shall set forth:

(1) the specific reasons for the denial;

(2) specific reference to pertinent Plan provisions on which the denial is based;

(3) a description of any additional material or information necessary for the Participant to perfect the claim accompanied by the explanation of why such material or information is necessary; and

(4) an explanation of the Plan's appeal procedure.

(D) Generally benefit payments to injured employees receiving Long-Term Disability will not be terminated unless there is a minimum of ten (10) calendar days' notice by the Administrator to the employee and the employee's attorney of record. Additionally, any denial of Long-Term Disability sent by the Administrator to an employee shall include a detailed narrative explanation of the reasons of the denial with copies of the relevant medical opinions enclosed if appropriate.

(E) If a Participant has filed an application with the Administrator and has not received notice of the denial or extension period within ninety (90) days after the Administrator's receipt of the application, or by the end of the extension, such Participant may deem his application denied and proceed to the appeal stage.

(F) Each Participant shall have a reasonable opportunity to appeal the Administrator's claim denial by filing a written request for review with the City Manager within ten (10) days after receipt of written notification of the denial, or within ten (10) days after Participant's application is deemed to have been denied, whichever is applicable. The Participant or his or her duly authorized representative shall have access to pertinent documents for review and may submit written issues

and comments to the City Manager relating to the appeal. The City will not release an employee's psychological records against the advice of the treating physician unless specifically required by law.

(l) A Participant may name a duly authorized representative (i.e., union representative, attorney, etc.) to represent him or her upon an appeal for an adverse decision by the Plan Administrator using the following guidelines:

(a) All requests for information by the authorized representative shall be in writing and include the following:

1. Name of the Participant;

2. Long-Term Disability Case Number;

3. Participant's Social Security Number;

4. A statement authorizing said named representative to represent Participant in all matters relative to applicable Long-Term Disability case; and

5. An authorization to release information to the representative.

(b) Upon receipt of notification from a Participant naming a representative to act in his or her behalf, all future communication shall be between the Plan Administrator and named representative.

(c) The duly authorized representative shall have access to pertinent medical documents for review after receipt of information release. However, the City will not place itself in the position of releasing an employee's psychological records against the advice of the treating physician unless specifically required by law.

(d) Written appeal/review issues and comments shall be submitted to the City Manager within the prescribed ten (10) day deadline.

(e) The City Manager shall notify the Participant in writing of his or her decision on the appeal within sixty (60) days after receipt of the Participant's request for review.

(f) If more than sixty (60) days are needed to review the appeal, the City Manager may extend the deadline by an additional sixty (60) days upon written notice to the Participant explaining why the extension is needed.

(g) The notice of the decision shall include specific reasons for the decision and specific references to the pertinent Plan provisions on which the City Manager's decision is based.

(h) If a Participant fails to request a review within the period described in Section 7.04 (F) above, such Participant shall have waived the review of the denial of his or her claim.

7.05 RECORDS AND REPORTS

The Administrator shall exercise such authority and responsibility as it deems appropriate in order to comply with governmental regulations relating to records of Participant's service.

7.06 ADMINISTRATOR'S OTHER POWERS AND DUTIES

The Administrator shall have such powers as may be necessary to discharge its duties including, but not by way of limitation, the following:

(A) To construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner, and time of payment of benefits;

(B) To prescribe procedures to be followed by Participants or beneficiaries filing applications for benefits;

(C) To prepare and distribute, in such manner as the Administrator determines to be appropriate, information explaining the Plan;

(D) To receive from the City and from Participants such information as shall be necessary for the proper administration of the Plan;

(E) To furnish the City, upon request, such annual or intermediate reports with respect to the administration of the Plan;

(F) To receive, review and keep on file reports of the financial condition, and of the receipts and disbursements, of the Plan;

(G) To appoint or employ investment managers or individuals to assist in the investing of Plan assets or administration of the Plan and any other agents it deems advisable, including legal and actuarial counsel;

(H) To do such things as may be necessary or appropriate to carry out its responsibilities as set forth in the Plan.

7.07 RULES AND DECISIONS

The Administrator may adopt such rules as it deems necessary, desirable, or appropriate to apply the terms and conditions of the Plan. All rules and decisions of the Administrator shall be uniformly and consistently applied to all Participants in similar circumstances. When making a determination or calculation, the Administrator shall be entitled to rely upon information furnished by a Participant or beneficiary, the City, or the legal counsel of the City.

7.08 COMMITTEE PROCEDURE

The Plan Committee may act at a meeting or in writing without a meeting. The Plan Committee shall elect one of its members as a chairman, appoint a secretary, who may or may not be a Plan Committee member. The secretary shall keep a record of all meetings and forward all necessary communications to the Employer, or the trustee. The Plan Committee may adopt such bylaws and regulations as it deems desirable for the conduct of its affairs. All decisions of the Plan Committee shall be made by the vote of the majority including actions in writing taken without a meeting. A dissenting Plan Committee member who, within a reasonable time after having knowledge of any action or failure to act by the majority, registers a dissent, in writing, delivered to the other Plan Committee members, (then said dissenting) shall not be responsible for any such action or failure to act.

7.09 EXPENSES OF ADMINISTRATION

The City may pay all expenses incurred in the administration of the Plan, to the extent such expenses are reasonable. Any such direction will be in writing and will specify the amount to be paid and the person to whom payment is to be made. The Administrator will determine what constitutes a reasonable expense of administering the Plan. In making such determination, the Administrator will take into account the Plan's purpose and objectives. The Administrator's determination under this Section in good faith will be final and conclusive on all persons having any interest in the Plan.

7.10 COMMUNICATION WITH THE CITY

The Administrator will periodically determine the short-run and long-run financial needs of the Plan and will communicate these needs to the City. On the basis of such reports and actuarial valuations, the City will establish a funding policy and method consistent with the objectives of the Plan and will make contributions under the Plan in such amounts and at such times as may be required by such funding policy.

7.11 LIMITATIONS ON ADMINISTRATOR'S POWERS

The Administrator shall have no power to add to, subtract from, or modify any of the terms of the Plan, or to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirements of eligibility for a benefit under the Plan.

All changes in the terms and conditions of the Plan must be approved by the City Council. Any settlement of a claim or litigation involving the Plan must be approved by the City Council if it represents a change in the terms and conditions of the Plan.

ARTICLE VIII

AMENDMENT AND TERMINATION OF THE PLAN

8.01 AMENDMENT OF THE PLAN

This Plan may be wholly or partially amended or otherwise modified at any time by the City Council; provided, however, that no amendment or modification shall have any retroactive effect so as to deprive any person of any benefit then in payment status, except that any amendment may be made retroactive which is necessary to bring the Plan into conformity with applicable government regulations.

8.02 TERMINATION OF THE PLAN

The Plan may be terminated or contributions may be suspended or discontinued at any time by the City. Upon termination of the Plan, no income shall be used or diverted for purposes other than for the exclusive benefit of Participants in the Plan and for the payment of the expenses of the Plan.

ARTICLE IX

MISCELLANEOUS

9.01 NONGUARANTEE OF EMPLOYMENT

Nothing contained in this Plan shall be construed as a contract of employment between the City and any employee, or as a right of any employee to be continued in the employment of the City, or as a limitation of the right of the City to discharge any of its employees, with or without cause.

9.02 NONALIENATION OF BENEFITS

Benefits payable under this Plan shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, charge, garnishment, execution, or levy of any kind either voluntary or involuntary, including any such liability which is for alimony or other payments for the support of a spouse or former spouse, or for any relative of the employee, prior to actually being received by the person entitled to the benefit under the terms of the Plan; and any attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber, charge, or otherwise dispose of any right to benefits payable hereunder, shall be void. Section 9.04 controlling law may overrule the above.

9.03 BENEFITS PAYABLE TO MINORS AND INCOMPETENTS

Whenever any person entitled to payments under this Plan shall be a minor or under other legal disability, or in the sole judgment of the Plan Administrator shall otherwise be unable to apply such payments to his own best interest and advantage (as in the case of illness, whether mental or physical, or where the person not under legal disability is unable to preserve his estate for his own best interest), the Administrator may, in the exercise of its discretion, direct all or any portion of such payments to be made therefore by an existing and duly appointed guardian, conservator, Committee, or other duly appointed legal representative, in which event payment shall be made to such representative:

(A) Directly to such person unless such person shall be a minor or shall have been legally adjudicated incompetent at the time of the payment;

(B) To the spouse, child, parent, or other blood relative to be expended on behalf of the person entitled or on behalf of those dependents as to whom the person has the duty of support.

The decision of the Plan Administrator will, in each case, be final and binding upon all persons and it shall not be obliged to see to the proper application or expenditure of any payments so made. Any payment made under the authority of this Section shall operate as a complete discharge of obligations to the extent of the payment.

9.04 CONTROLLING LAW

The laws of the State of California, and to the extent they are not preempted by federal law, shall govern, control, and determine all questions arising with respect to the interpretation and validity of the provisions of this Plan. In the event any provisions of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions of this Plan, but shall be fully severable and the Plan shall be construed and enforced as said illegal or invalid provision or provisions had never been inserted herein.

This Plan shall be binding upon persons who are entitled to any benefits hereunder, their heirs, legal representatives, and upon the Employer, the Administrator and their respective successors and assigns.

RESOLUTION NUMBER R- 308870

DATE OF FINAL PASSAGE APR 22 2014

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING AN AMENDMENT TO THE SELF-FUNDED EMPLOYEES' LONG-TERM DISABILITY INCOME PLAN.

WHEREAS, the City Council (Council) of the City of San Diego (City) adopted San Diego Resolution R-254623 on July 14, 1981, establishing the Long-Term Disability Income Plan (LTD Plan) effective September 4, 1981; and

WHEREAS, the LTD Plan was last amended effective July 1, 1995, by San Diego Resolution R-286006, which the Council adopted on June 26, 1995; and

WHEREAS, from the time the LTD Plan was established in 1981 until July 20, 2012, all salaried City employees were eligible to participate in the San Diego City Employees' Retirement System (SDCERS), and only part-time-hourly employees were ineligible for SDCERS; and

WHEREAS, the LTD Plan excludes coverage for classified employees who do not participate in SDCERS, which until July 20, 2012, had the effect of excluding only part-time hourly City employees; and

WHEREAS, on June 5, 2012, City voters approved Proposition B, a citizens' initiative that amended the San Diego Charter (Charter) effective July 20, 2012 , known as "Comprehensive Pension Reform for San Diego" (Proposition B); and

WHEREAS, among other things, Proposition B added section 140 to Article IX of the Charter which, except for sworn police officers, excludes from SDCERS all officers and employees who are initially hired or assume office on or after the effective date the Charter amendment (July 20, 2012); and

WHEREAS, on October 2, 2012, the Council adopted San Diego Ordinance O-20196, creating an Interim Defined Contribution Plan for officers and employees, other than sworn police officers, who are initially hired or assume office on or after July 20, 2012; and

WHEREAS, the City wishes to continue to provide long-term disability coverage for all salaried City employees, including employees who are ineligible to participate in SDCERS under Charter section 140, but are eligible to participate in the Interim Defined Contribution Plan; and

WHEREAS, the LTD Plan must be amended, retroactively, to include salaried City employees who participate in the Interim Defined Contribution Plan; NOW, THEREFORE,

BE IT RESOLVED, that the Council of the City of San Diego approves the Amendment to the Self-Funded Long-Term Disability Plan, which is on file in the Office of the City Clerk as Document number RR-308870.

APPROVED: JAN I. GOLDSMITH, City Attorney

By _____
Roxanne Story Parks
Deputy City Attorney

RSP:ccm
03/11/2014
Or.Dept:Risk Mgmt.
712647.docx

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of APR 08 2014.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: 4/16/14
(date)

KEVIN L. FAULCONER, Mayor

Vetoed: _____
(date)

KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on APR 8 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	☑	☐	☐	☐
Ed Harris	☑	☐	☐	☐
Todd Gloria	☑	☐	☐	☐
Myrtle Cole	☑	☐	☐	☐
Mark Kersey	☑	☐	☐	☐
Lorie Zapf	☑	☐	☐	☐
Scott Sherman	☑	☐	☐	☐
David Alvarez	☐	☐	☑	☐
Marti Emerald	☑	☐	☐	☐

Date of final passage APR 22 2014.

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Kam Cal, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 308870