

# Short-Term Disability Plan

Summary Plan Description

JOANN



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A disability can have a big impact on your life, as it affects not only your health but also your finances. While you are missing time from work, everyday living expenses continue just as before. That’s why JOANN has a Short-Term Disability (STD) Plan – to provide you with continuing income while you cannot work due to illness or injury.

## BENEFITS RESOURCES & TOOLS

Benefit Plan	Administrator	Tool/Resource/Key Services	Contact Information
Short-Term Disability (STD)	Sedgwick Absence Management	<b>STD Benefits:</b> <ul style="list-style-type: none"> <li>• Report a claim for benefits</li> <li>• Check status of claim</li> </ul>	1-877-224-7989

## ELIGIBILITY

### JOANN Team Member Eligibility:

To participate in the JOANN STD Plan, you must:

1. Be an active JOANN Team Member, and
2. Be classified as a full-time JOANN Team Member, and
3. Have completed at least 6 months of consecutive full-time service with JOANN\*.

\*Team Members who are listed as members of the JOANN Leadership Group are covered after 90 days of full time service. Benefits may vary for this group; please contact the Disability Department for more information.

### Benefits Group Hotline

For questions about your JOANN STD Benefits Program, enrollment, and coverage call the Leave of Absence Department toll free at 1-866-396-HR4U (4748) or email [absencemgmt@joann.com](mailto:absencemgmt@joann.com).

### *Effective Date of Coverage*

You are covered under the JOANN Short Term Disability Plan once you meet the eligibility requirements described earlier in this section. Team Members are automatically enrolled in this plan.

### *Rehires*

If you terminate employment and are later rehired as a JOANN Team Member, your eligibility for coverage is as follows:

- If rehired as an eligible Team Member within 30 days of termination, your benefits will be reinstated as elected prior to termination, effective as of your rehire date. You must notify the Benefits Department within 14 days from your rehire date to reinstate coverage effective on your rehire date.
- If rehired as an eligible Team Member after more than 30 days of termination, you must satisfy the eligibility requirements again. (That is, your coverage generally begins after 6 months of consecutive full-

time service and the effective date of coverage will be six months from your rehire date.)

### ***Part-Time/Full-Time Changes***

- If your status changes from part-time to full-time, coverage is effective after 6 months of consecutive full-time service.
- If your status changes from full-time to part-time, your coverage will end immediately. If you return to full-time employment within 30 days of the part-time date, you must notify the Benefits Department within 14 days to reinstate coverage effective with the return to full-time status date.
- If your status changes from full-time to part-time and then back to full-time after 30 days from the part-time date, your coverage is effective after 6 months of consecutive full-time service.

### ***Team Members Not Eligible to Participate***

Persons classified as part-time and casual Team Members are not eligible to participate in the Plan. Persons classified as contract and/or leased Team Members are also not eligible to participate in the Plan, even if they are determined by a court or governmental agency to be, or have been, common law Team Members of JOANN. Persons who are employed by Jo-Ann Trading (Shanghai) Co., Ltd. are not eligible to participate.

## **ENROLLING FOR COVERAGE**

You are automatically enrolled in this benefit upon completion of the eligibility requirements.

## **COST OF COVERAGE**

All STD benefit payments are paid by JOANN out of its general assets.

## **HOW THE SHORT-TERM DISABILITY PLAN WORKS**

### **How STD Benefits are Calculated**

STD benefits replace part of your regular base pay. Payments can begin after a one-week/7 calendar day waiting period once you become totally disabled and may continue for up to 26 weeks (one-week/7 calendar day waiting period + 25 weeks of STD benefits). STD benefits are equal to 60% of your regular base pay.

### **Enhanced Maternity Disability Benefit Calculation**

If your disability is due to pregnancy, the date of disability is generally on or up to two weeks before the expected date of delivery. If your disability period begins during this period, you are deemed to meet the definition of the Maternity Disability Benefit and are eligible for up to 6 weeks of leave (one-week/7 calendar day waiting period + 5 weeks of STD benefits). Enhanced Maternity Disability benefits are equal to 100% of your regular base pay.

Additional time approved for continued total disability following the standard 6 weeks will payable at the standard STD benefit of 60% of your regular base pay. Total disability period cannot exceed 26 weeks (including the one-week waiting period + 25 weeks of total disability benefits).

## How Disability is Defined

You are considered totally disabled for the purpose of STD if you are completely unable, as a result of bodily injury or sickness, to perform the normal duties of your job or another job available to you within the Company, and you are not performing work of any kind for wage or profit. Disability determination is within the sole discretion of JOANN.

## How Benefits are Calculated

STD benefits are equal to 60% of your regular base pay; including overtime (excludes bonuses) accumulated over the previous 26 weeks before your disability began.

*For example:*

Total Base Pay	\$5,195	gross pay from 7/1/19 – 12/31/19
divided by	26	# of weeks from 7/1/119– 12/31/19
equals	= \$199.81	(regular base pay per week)
times	x 60% or .60	
equals	= \$119.88	(weekly benefit)

As shown above, you would be eligible to receive an STD benefit equal to \$119.88 per week.

## When Benefits are Paid

STD benefits are payable if you're totally disabled and cannot work because of a non-work related illness or injury (including pregnancy or childbirth). You must have medical documentation to support your total disability and inability to work. The date of disability must be on or after your STD coverage becomes effective.

Once you are eligible to receive STD benefits, payments will begin after a 1 week/7 calendar days waiting period. During the waiting period, you must use any of your available sick time. In addition, you have the option of using any available PTO during the waiting period.

STD benefits end when you are no longer disabled, return to work, or have received payments for the maximum period of time under the plan.

## How Benefits are Paid:

STD benefits are administered through our claims administrator, Sedgwick. Benefit payments are typically made on a bi-weekly basis through JOANN's payroll and paid to you in the same format as your regular paychecks. Your contributions for your benefit elections are withheld from your bi-weekly disability benefit checks. If you reside in California, New York, New Jersey, Rhode Island, or Washington, you will receive your disability benefit from the state. **You are responsible for mailing in your payments to the Benefits Department for any benefits you have previously elected (eg: medical, dental vision, etc.).**

### ***Taxes on Disability Benefits***

You pay income taxes on your STD benefits similar to the taxes on your regular base pay. If you have specific questions about your personal tax situation, it is recommended you consult a tax professional.

### **Regular Base Pay**

Regular base pay is defined as the weekly average of your wages paid (including overtime and paid time off) during the previous 26 weeks before your disability began. Regular base pay EXCLUDES any paid bonuses and incentives.

### **Time Off During a Pregnancy Related Leave**

During your leave, the duration of STD leave normally depends on the type of delivery you have. Once you become disabled, there is a 1 week/7 calendar day waiting period before STD payments begin. During the waiting period, you must use any available sick time. In addition, you have the option of using any available PTO during the waiting period.

After the 1 week/7 calendar day waiting period, STD payments begin. You are eligible to receive five weeks of STD payments if you have a natural delivery (totaling six weeks off from work). If you have a cesarean section delivery, you are eligible to receive seven weeks of STD payments (totaling eight weeks off from work).

There may be circumstances where your doctor will disable you from work for longer than the normal time frames. In those situations, Sedgwick will request and review the medical documentation and determine if the additional time off is eligible for STD payments.

### **Recurring/Concurrent Disabilities**

If you return to work from an approved disability and suffer a relapse or recurrence due to the same or related condition and such disability begins before the end of the applicable Recurring Disability Period (30 days), you will not be required to satisfy a new waiting period.

If a new disability occurs while benefits are payable, the new disability will be treated as part of the same period of disability. Benefits will continue subject to maximum duration of benefits and application of any Plan exclusions to both the new cause of disability, and the original cause. If the new disability occurs while you are receiving benefits but after this Plan terminates, the Plan provides no coverage for the new disability.

### **When Benefits End**

STD benefits continue until one of these events occurs:

- Your approved period of total disability ends;
- You return to work;
- You have been disabled for 26 weeks;
- Your coverage ends; or
- Upon date of your death.

## **WHEN BENEFITS WILL NOT BE PAID**

STD benefits are not paid:

1. For any work-related illness or injury for which payment is made, or is available, through Workers' Compensation or a similar law;
2. For any disability that began before your coverage under this Plan started;

3. For any disability for which you are not under the regular and appropriate care of a physician;
4. Which results from or is caused by;
  - a. War or act of war, whether war is declared or not;
  - b. Service in the armed forces, military reserves or National Guard of any country or international authority, or in a civilian unit serving with such forces;
5. Intentionally self-inflicted injury or illness, while sane or insane; or
6. Your commission of, or attempt to commit a felony;
7. While you are confined in a penal or correctional institution;
8. For any disability resulting from or caused by your operation of a vehicle while intoxicated or under the influence of alcohol, drugs or any controlled substance;
9. When objective medical evidence does not support the inability to perform your occupation;
10. During a personal leave of absence;
11. For non-medically necessary procedures (such as cosmetic surgery – refer to the Medical Plan Summary Plan Description for a definition of “medically necessary” and a listing of eligible expenses);
12. When return-to-work is available (for instance, if you are able to return to work with restrictions and the Company has an appropriate position available);
13. When Sedgwick is unable to procure necessary supportive medical documentation from your health care provider(s);
14. Loss of professional license, occupational license or certification; or
15. Active participation in a riot.

Whenever you are going to be off from work for any reason, you should let your Manager/Supervisor know as soon as possible. Failure to do so in a timely manner could delay benefits and/or impact your employment status.

## FILING A CLAIM FOR BENEFITS

To receive disability benefits, please follow the steps outlined here:

1. Contact your supervisor to report your absence.
2. Contact Sedgwick; toll free, at 1-877-224-7989, 24 hours a day, 7 days a week, immediately following contacting your supervisor. ***Failure to contact Sedgwick may result in a delay or denial of your claim.***
3. You will be asked questions by Sedgwick such as:
  - ✓ What is your illness or injury?
  - ✓ How long do you expect to be off work?
  - ✓ What is your preferred method of communication regarding your request?
4. You will receive a packet of information you will need to complete and return as soon as possible.

5. Once your request for leave is reported, Sedgwick will follow up with the JOANN Leave of Absence department to ensure timely and accurate processing.
6. A Sedgwick Specialist will maintain contact with you while on leave and assist you throughout the process.
7. A Nurse Case Manager may also contact you to assist in your return to work.
8. If your need for leave is foreseeable, for example, if you know you will miss work due to a scheduled surgery, please notify Sedgwick 30 days in advance of your surgery date.
9. If your need to leave is unforeseeable, please notify Sedgwick within two days of the date you become aware of the need for leave.

**Team Members in California, Connecticut, Colorado (1/1/2024), Massachusetts, New Jersey, New York, Oregon, Rhode Island, or Washington**

Team Members working in the above states are entitled to disability benefits from their state. You should contact your State to receive state appropriate documentation. JOANN will coordinate benefits with those states as a secondary payer, up to a maximum of 60% of your base pay.

### **If a Claim is Denied**

When disagreements arise, every effort is made to resolve them quickly and informally. However, if that is not possible, formal procedures have been developed so you can appeal the decision.

If your claim is denied, in whole or part, you are entitled to a review of the denial. Within 180 days of receiving the denial, you or your representative may:

- Submit a written request to the Plan Administrator for a review of the denial;
- Look at relevant documents; and
- Submit issues and comments in writing.

You have the right to designate a representative to file an appeal on your behalf and to represent you in the appeal. If your representative is seeking an appeal on your behalf, the Plan Administrator must obtain a signed Designation of Representation form from you before processing your appeal.

You are entitled to receive, upon written request and free of charge, reasonable access to, and copies of, documents, records, and other information relevant to your appeal. In some cases, you may be asked to provide additional information to assist in the review.

Your claim will be reviewed by a person who did not make the initial determination and who is not the subordinate of the initial reviewer. You will receive notice of the decision on your appeal promptly after the Plan receives your request for an appeal. The notice will explain:

- The reasons for the denial;
- The Plan provisions on which it is based;



- If the determination is based on an internal rule, guideline, protocol or other similar criterion, either a copy of the specific internal rule, guideline, protocol or criterion will be provided, or a statement will be included that says that the internal rule, guideline, protocol or criterion was relied on in making the determination and that a copy of the internal rule, guideline, protocol or criterion will be provided free of charge upon written request; and
- If the determination is based on medical necessity or experimental treatment or a similar exclusion or limit, either an explanation of the scientific or clinical judgment for the determination, that applies the terms of the Plan to your medical circumstances, or a statement that such an explanation will be provided free of charge upon written request will be included.

## **SITUATIONS AFFECTING YOUR STD BENEFITS**

Some situations could cause a loss or delay of your STD benefits.

The following situations could affect your STD benefits, as summarized here:

1. If you do not apply for STD benefits or provide the necessary claims information, STD benefits may be delayed and could even be denied.
2. If you or your doctor does not provide information required for a disability application, STD benefits may be delayed until that information is provided.
3. STD Benefits cannot be paid if you cannot be located. It is important that you keep your current address on file in Ally.
4. You won't receive STD benefits unless your condition satisfies the definitions of "total disability" and is medically supported.
5. If you leave the Company for any reason, or if you are no longer a member of an eligible Team Member group, coverage stops.
6. We encourage you to notify Sedgwick of your claim as soon as possible, so that a claim decision can be made in a timely manner. Written notice of a claim should be sent to Sedgwick within 30 days after the date your disability begins. In addition, you must send Sedgwick written proof of your claim no later than 90 days after your elimination period. If it is not possible to give proof within 90 days, it must be given no later than one year after the time proof is otherwise required except in the absence of legal capacity.

If you are eligible for and have elected optional Long-Term Disability (LTD) coverage, refer to the Long-Term Disability Summary Plan Description for more information. Generally LTD benefits begin after STD benefits end. Otherwise, your STD disability benefits end at twenty-six weeks. You remain subject to the company's Medical Leave Policy (AB345) if you enroll in LTD.

### **If a Benefit is Overpaid**

If, for some reason, a benefit is paid that exceeds the amount allowed by the Plan, the Plan Administrator has the right to recover the excess amount from the person or agency who received it. The person receiving STD benefits must produce any documents necessary to ensure this right of recovery.

### **If the Plan Ends or is Modified**

The Company, by action of the Chief Administrative Officer, reserves the right to end, suspend, or modify the Plan at any time, in whole or in part. If the Plan is ever terminated, suspended, or modified, STD benefit payments before the modification, end, or suspension of the Plan would be paid under the Plan's former provisions. No STD benefits will be paid after termination of the Plan or while the Plan is suspended.

## WHEN COVERAGE ENDS

Coverage ends if your employment with the Company ends. Your STD coverage will end at the earliest of:

- The last day you work as a JOANN Team Member;
- The date you are no longer eligible for coverage (if, for example, you become a part-time Team Member);
- Your retirement date;
- The date the Plan ends;
- The date of your death;
- The last day of the month in which you are laid off;
- The date you fail to timely return from any approved leave of absence or leave of absence permitted by law, or the date you give notice to JOANN that you do not intend to return from an approved leave of absence; or
- The date you or a family member makes any misrepresentation to the Plan or fraudulently submits a claim for benefits under the Plan. Or, if earlier, the date coverage would have ended or not been given effect but for the misrepresentation.

### Converting Your Coverage

When STD coverage ends, you cannot convert it to an individual coverage.

## ADMINISTRATIVE INFORMATION

Our STD Plan is self-insured. This means that all claims are paid directly from the Company's own general assets.

<b>Plan Sponsor and Administrator</b>	The Plan described in this Summary Plan Description is sponsored by: Jo-Ann Stores, LLC 5555 Darrow Road Hudson, OH 44236 Attn: HR/Leave of Absence Department 1-866-396-HR4U (4748) or <a href="mailto:absencemgmt@joann.com">absencemgmt@joann.com</a>  Additional copies may be requested by the participant and/or beneficiaries by writing to the above address.
<b>Affiliated Employers</b>	Affiliated employers may also adopt this Plan with the consent of Jo-Ann Stores, LLC. A complete list of current affiliated employers adopting the plan is available from the Plan administrator.
<b>Plan Name</b>	The official Plan name is Jo-Ann Stores, LLC Short-Term Disability Plan.

<b>Claims Administrator</b>	<p>The claim administrator is:</p> <p>Sedgwick Absence Management 5555 Glendon Court Dublin, OH 43016</p> <p>P. O. Box 182808 Columbus, OH 43218-2808</p> <p>1-877-224-7989 Fax: 1-888-436-9535</p>
<b>Agent for Service of Legal Process</b>	<p>The agent for service of legal process is:</p> <p>CT Corp 1300 East 9<sup>th</sup> Street, Suite 100 Cleveland, OH 44114 1-800-221-0556</p>

## TERMS TO KNOW

To understand how the Short-Term Disability Plan works, it's helpful to know these terms:

<b>Term</b>	<b>Definition</b>
<b>Plan Year</b>	Our Plan Year is February 1 through January 31.
<b>Totally Disabled</b>	You are considered totally disabled for the purpose of STD if you are completely unable, as a result of bodily injury or sickness, to perform the normal duties of your job or another job available to you within the Company, and you are not performing work of any kind for wage or profit. Disability determination is within the sole discretion of JOANN.