



# SHORT-TERM DISABILITY (STD) PLAN

## Purpose and Scope

The HF Sinclair Corporation Short-Term Disability (STD) Plan provides income protection if you are ill or injured and are unable to work.

Through HF Sinclair's STD Plan, the company offers you the security of continuing income on a short-term basis if you are ill or injured and are unable to work. STD benefits are generally available for up to 51 weeks a year, beginning on the first regularly scheduled workday you are unable to work following a qualifying (or elimination) period.

The Company has the sole and exclusive right to determine the insurance carrier(s), third party administrators, and all other such entities which may be deemed necessary by the Company to provide the same or equivalent benefit programs described herein. The STD Plan may be provided by the Company through a contract(s) with an insurance carrier(s), third party administrator(s), or may be provided directly by the Company or by a combination of these. The administration of claims may also be provided through an insurance carrier or third party administrator.

## Eligibility and Participation

You are eligible to participate in the STD Plan if you are classified as a U.S. -based full-time employee of HF Sinclair Corporation and any subsidiaries and affiliates subject to collective bargaining agreements. A full-time employee is an individual employed for a continuing period whose work week is the regular full-time workweek scheduled for the location (at least 30 hours per week).

An employee's classification in human resources/payroll records determines eligibility. An employee's classification is determined at the time of hire. If later changed, the new classification will only apply prospectively, regardless of the actual schedules or hours worked under the initial classification.

## Enrollment and Cost of Coverage

You do not have to enroll for coverage. As an eligible employee, you are automatically covered. For employees hired after January 1, 2020, coverage is available after six months of continuous employment.<sup>1</sup> If you are rehired with an imputed hire date six months prior to your current hire date, you have satisfied the six month eligibility requirement for this benefit. You must be actively at work for coverage to begin.

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<sup>1</sup> The six month continuous service provision is not required for maternity related medical leave coverage.



## When STD Benefits End

Your STD coverage ends as of the earliest of the following events:

- You have received the maximum STD Plan benefits.
- You are no longer injured or ill and are unable to work.
- You fail to provide required medical certification or documentation within the required time period.
- You fail to return to work after being offered a light-duty assignment that meets your medical restrictions (see Employee Manual for definition of light-duty).
- You fail to obtain and follow medical advice or treatment that is recommended by a competent medical authority.
- You fail to keep all scheduled appointments with company-approved doctors, including a return-to-work physical.
- Your employment ends.
- You start receiving Long Term Disability (LTD) benefits in connection with your disability.
- You no longer are in an eligible employee class.
- You die.

## Benefit Detail

STD pays you a percentage of your base pay if you are injured or ill and are unable to work. The benefit you receive depends on:

- Your base pay.
- Your years of credited service with the Company.

STD benefits begin on the first day you are unable to work due to an illness or injury following an elimination period. The elimination period is a continuous, seven (7) calendar day period beginning with the initial date of disability caused by the illness or injury. You are required to exhaust all forms of paid time off during the elimination period or any other leave of absence that is unpaid (i.e., use sick time or vacation time during the elimination period). If you have exhausted or will exhaust during the elimination period all forms of paid time off, all or portions of the elimination period will be unpaid.

In the case of conditions causing intermittent periods of disability, you are considered to have satisfied the elimination period after seven (7) absences from work in a sixty (60) day period due to disability caused by the illness or injury.

If you return to work full-time full duty for a period of twelve months for either a continuous or intermittent condition, a new elimination period will be required for subsequent claims for the same condition.

For non-work-related illnesses or injuries, STD benefits equal a percentage of your base pay based on your years of credited service.



## **Benefit Computation and Accrual**

The maximum number of hours available at 100% of base pay is 1,560. After the maximum number of hours has been exhausted, benefits may continue at 60% minimum of the employee's base pay until the LTD exhaustion period has been exhausted per plan rules. You may be eligible for long-term disability benefits. You may not extend your maximum leave time with unused vacation.

Base pay is defined as the benefits rate as defined by the local collective bargaining agreement. Where a benefits rate is not defined, base pay is your salary or straight-time pay, not including unscheduled overtime, bonuses or incentives. Benefits are paid in your regular paycheck. Available vacation time may be used to cover the 40% reduction in STD benefits, if applicable.

Annual credit for STD at 100% of base pay will be provided each January 1st in the amount of 360 hours of 100% base pay up to the maximum of 1,560 hours. If you are on leave January 1st, your STD bank will not be credited until you return to active, full-time full duty without restrictions.

Employees hired after January 1st will be credited with 120 hours of 100% base pay upon becoming eligible to participate in the STD Plan. You will begin regular accruals of an additional 360 hours on the January 1st following the employee's eligibility to participate in the STD program.

Except where applicable state or local law provides otherwise, unused STD is not paid to employees. Upon termination, any unused STD benefits are forfeited. Re-hired employees who return to full-time duty within one (1) year of their termination date may have their STD balances of full pay and 60% pay reinstated to the amounts prior to leaving.

## **Employee Obligations**

You are to assist to the fullest extent possible in the recovery process and to report back to work as soon as your condition permits. You may not engage in gainful employment for another or for yourself while receiving STD benefits without prior written approval by the local Human Resources Manager. You shall not engage in any activity inconsistent with your health care provider's restrictions.

In cases where an absence of work is reasonably known (i.e. a scheduled surgery), you should provide your supervisor and the Human Resources department with as much advance notice as possible. Advance notice allows you the ability to ensure proper documentation at the time of absence and the Company the ability to properly plan for the absence.

To support your eligibility for STD benefits, you are expected to provide medical certification from your healthcare provider to the Company (or its designee including but not limited to outside insurance carriers or third party administrators). The Company in its sole discretion, reserves the right to develop a medical certification form and request periodic recertification during a period of disability.



If you are released to return to work with restrictions and the Company offers you light duty consistent with those restrictions, STD benefits end as of the date the light duty assignment is made available, whether or not you accept the assignment.

### **Proper Use of STD Benefits**

Regular attendance is considered to be an essential function of every employee. The STD benefit provides employees with generous sick leave benefits for those limited situations where the employee is ill and unable to work. The Company understands an employee who is sick and unable to work should be provided with these benefits. In addition, when an employee is absent from work there are many challenges created such as: disruption of scheduled work and production, morale issues with other employees requested to do the work, overtime to cover the absence, STD benefit costs, administrative costs, and loss of that employee's expertise while away from work. As a result, it is important STD be used properly.

Abuse of the sick leave policy is improper use of STD benefit and can result in disciplinary action, up to and including termination of employment. Abuse includes but is not limited to:

- Failing to report working for yourself or another company while receiving STD benefits.
- Working for yourself or another company while receiving STD benefits unless approved by the Human Resources Manager.
- Falsifying or modifying medical documentation.
- Obtaining STD benefits under false pretense.
- Misrepresenting your medical condition to a health care provider or the Company.
- Engaging in activities that violate your healthcare provider's restrictions.
- Excessive absenteeism.
- Utilizing sick leave in a pattern or as a supplement to other forms of paid time off.

### **Working Partial Days**

If you are ill or injured and, due to the illness or injury, only able to work a portion of a workday, your benefits will be paid as follows:

You will receive regular pay for all time worked and, if eligible, STD benefits for those regularly scheduled work hours that you are unable to work. If your available STD benefits are at 60% of base pay, you will receive regular pay for all time worked and 60% pay for the work hours that you are unable to work. The Company retains the right, in its sole discretion, to provide work on a partial day basis.

### **Holiday and Vacation Pay**

If a scheduled company holiday occurs while you are receiving STD benefits and you receive STD benefits for both regularly scheduled workdays before and after the holiday, you will receive STD benefits for the holiday instead of holiday pay.



## **Tax Considerations**

Because the Company pays the full cost of your STD coverage, STD benefit payments are considered taxable income. Consequently, your normal authorized and required tax and other payroll deductions, including Social Security and Medicare, are withheld from your STD benefit payments.

## **Offsetting Benefits**

Under the STD Plan, if you receive any disability benefits from other sources, such as Social Security or a state disability plan, your STD benefits are reduced so that your total benefit does not exceed the amount you would receive under the STD Plan alone.

STD benefits will not be paid for any illness or injury resulting from:

- A work-related injury or illness.
- Working for another employer.
- Willful intent to hurt yourself or another person.
- Commission of a crime.
- Your intoxication or improper use of illegal drugs (excluding any period during which you are participating in an approved rehabilitation program for substance abuse).
- Participation in an act of war or a riot, unless you are an innocent bystander.

In addition, you will not be eligible to receive STD benefits while you are on:

- Vacation.
- A leave of absence other than a family medical leave.
- Suspension.
- Layoff.

If you qualify for Family Medical Leave for your personal injury or illness, your leave will run concurrently with your receipt of STD benefits.

## **Administrative Information**

The STD Plan is not governed by the Employee Retirement Income Security Act of 1974 (ERISA). If you have a question regarding your eligibility to receive STD benefits, contact your local HR Manager.

Your eligibility for or your right to benefits under HF Sinclair Corporation's benefit plans is not a guarantee of continued employment. Employment practices are determined without regard to the benefits offered. In addition, and subject to legal and contractual considerations, the Company reserves the right to terminate your employment at any time or for any reason.