

THIS IS A STATEMENT OF COVERAGE FOR THE SALESFORCE.COM, INC. CALIFORNIA VOLUNTARY DISABILITY PLAN. THE PROVISIONS OF THIS STATEMENT APPLY TO DISABILITY BENEFIT PERIODS BEGINNING ON OR AFTER JANUARY 1, 2019.



Legislative Disclosure

Assembly Bill (AB) 908 establishes a new methodology for calculating the Weekly Benefit Amount (WBA) for Disability Insurance (DI) and Paid Family Leave (PFL) benefits. The wage replacement rate will increase from 55% to approximately 60 or 70% based on a claimant's income (See **STATE PLAN BENEFIT CALCULATION** on the final page of this Statement of Coverage for calculation details). AB 908, also, eliminates the waiting period for all PFL claims.

This bill applies to claims on or after January 1, 2018 but before January 1, 2022. For disability periods commencing after January 1, 2000 and before January 1, 2018, the WBA computation for SDI benefits will remain at 55% as outlined in current law.

PARTICIPATION

Who may participate? You, provided you are an eligible California employee of Salesforce.com (the Company). There is no enrollment—your coverage begins on the day you become an eligible employee. If you do not wish to participate in the Plan, you must reject coverage in writing, in which case you will be covered under the State Disability Insurance Fund. If you wish to participate at a later date, you may do so by submitting a written election to participate to Employee Success. You will be covered on the first day of the calendar quarter that follows the date on which you submit your notice.

COST

How much do I pay? Effective January 1, 2019, your cost is 1.0% of the first \$118,371 of your calendar year wages (\$1,183.71 annually)

DISABILITY

When am I considered disabled? When you are unable to do your regular or customary work because of a mental or physical illness or injury. This includes pregnancy and childbirth. If you participate in and complete a vocational rehabilitation program, your regular or customary work is the occupation for which you have been retrained. You are considered disabled if you have been ordered to stay away from work by order of a bona fide health authority because you have or are suspected of having a communicable disease. Also, if you seek treatment for an alcohol or drug abuse problem, you are considered disabled, provided you are participating in an accredited residential or outpatient program. If you are being treated on an outpatient basis, you must attend the program for a minimum of six hours a day, five days a week. Benefits for alcohol and drug abuse treatment are limited to ninety days.

Although you will not be considered disabled, if a member of your immediate family suffers a serious health condition, or if you want to bond with your new minor child within the first year of the birth, adoption, or foster care placement of that child you may be eligible for up to 6 weeks of Paid Family Leave (PFL).

BENEFITS

How much will I receive? If you are disabled, you will be paid 70% of your On-Target Earnings (OTE) to a weekly maximum of \$4,375 during your first twenty-five weeks that disability benefits are payable, and the State Award rate, up to a weekly maximum benefit of \$1,252 for the remaining twenty-seven weeks of disability benefits. You may use any PTO that is available to you during your first 7 days of disability.

Benefits for Paid Family Leave will be paid at the State Award rate to a weekly maximum of \$1,252.

Partial weeks are paid at a daily rate that is 1/5th of your weekly benefit.

During disability or PFL you may choose to redirect a portion of your weekly benefit to cover all or part of the cost of employee-paid benefits. To execute this option, you must designate in writing, on a form available from Employee Success, the weekly amount to be redirected. This redirection may be initiated at the time you apply for benefits or at any time while you are receiving benefits; however, since the Company has its own procedures for continuing employee-paid benefits while an employee is on leave, you should check with your Employee Success Representative before exercising the redirect option.

When do my benefits begin? Your disability benefits will begin on your eighth consecutive day of disability provided you see a doctor at some point during that period. You may use any PTO available to you during your first 7-days of disability. Your PFL benefits will begin on or on your first day of Paid Family Leave. Your benefits may also begin on the first day that you have a subsequent disability due to a chronic illness that commences within twelve months of the initial disability that satisfied the waiting period described immediately above. You must be treated or under the care of a doctor within eight days of the commencement of the subsequent disability. The subsequent disability must be due to the same or related cause of the initial disability.

A non-chronic disability is deemed to be continuous, and you do not need to serve another seven day waiting period, if you return or are able to return to work for sixty days or less and become disabled again due to the same or related cause or condition.

A PFL is deemed continuous if you must provide care to the same care recipient within a twelve-month period.

How do Voluntary Plan benefits compare to benefits from the State? As a Plan participant, you are guaranteed rights at least equal to those provided by the State Disability Fund. You will receive a weekly rate and maximum weekly benefit amount at least equal to the State Award rate and Maximum Benefit Award which you would have received if you were a participant in the State Disability Insurance (SDI) program.

On what are benefits based? Disability and PFL benefits are based on your earnings. "Earnings" means your on-target earnings in effect on the date immediately prior to the start of your disability or PFL benefit period. Earnings do not include differentials, overtime, or any other type of compensation. Any voluntary withholdings that you have indicated on your W-4 form will continue to be withheld while you are receiving disability benefits.

If your disability or PFL begins while you are on an approved unpaid leave of absence, "Earnings" means your on-target earnings in effect immediately prior to the start of your leave.

What is the maximum benefit payable? The maximum benefit payable for any one period of your disability is twenty-five times your weekly benefit during the first twenty-six weeks, plus twenty-seven times your weekly benefit rate after the first 26 weeks.

The maximum benefit payable for any one period of Paid Family Leave is six times \$1,252.

Will I still be eligible for benefits if I receive wages while I am disabled? Yes, provided that the amount of wages you receive when combined with your benefits does not exceed the amount of wages you earned (excluding overtime) during the week immediately preceding your disability or PFL. In that case, you will receive a weekly benefit equal to the difference between the two, but not more than the benefit you would receive if no wages had been paid.

What if I am eligible to receive benefits from more than one plan (for instance, another Voluntary Plan or SDI)? Your benefit will equal the amount by which this Plan exceeds your State Award rate, plus the amount which results from dividing your State Award benefit by the number of Plans under which you are covered (for example, if you are covered by this Plan and SDI, you will divide by two).

EXCLUSIONS

Are there conditions under which I will not be eligible for benefits?

- You will not receive benefits if a certificate from a physician, surgeon, optometrist, dentist, osteopath, chiropractor, podiatrist, a nurse practitioner, a physician assistant or a licensed psychologist does not support your, or the care recipient's, disability. In the case of normal pregnancy, a licensed midwife, nurse-midwife, or nurse-practitioner may certify your disability. An authorized medical officer of a US Government medical facility or a registrar of a county hospital may also certify a disability. If you, or the care recipient, belong to a bona fide religious organization that relies on prayer or other spiritual means for healing, a certificate from an authorized or accredited practitioner of that creed may be accepted.

The certificate must include the medical facts of your, or the care recipient's, case, including, if applicable, secondary diagnoses. It must also include the issuer's opinion as to the probable duration of your, or the care recipient's, disability. The certificate must include a diagnosis or diagnostic code prescribed in the International Classification of Diseases. If no diagnosis has been made, a statement of symptoms must be included. All of the above must be based on a physical examination and a documented medical history. If you can prove that you have received workers' compensation (WC) temporary disability benefits, you don't have to submit a certificate. If you are claiming benefits while receiving treatment for alcohol or drug abuse, your doctor does not need to certify that you are disabled; however, you will still need to meet other Plan requirements.

- You will not receive benefits under this Plan if you receive (or are eligible to receive) benefits or cash payments for temporary or permanent disability indemnity, under a workers' compensation or employer liability law of this State or any other state or the federal government (if such benefits are paid due to the same illness or injury), unless the amount you are receiving is less than your Plan benefit.
- You will not receive benefits if (i) you are incarcerated (in jail or any other facility) as a result of a criminal conviction, (ii) your disability arises out of your commission of a crime, or (iii) your disability stems from alcohol or drug addiction, or from aberrant sexual behavior, and you are confined by court order in an institution or some other place.
- If you intentionally make a false statement or representation (or you withhold material facts) in order to obtain benefits, you will be ineligible for benefits for at least seven days (starting on the date we notify you) but not more than thirty-five days. You will not receive benefits for an additional fifty-six days if there is a second infraction of this provision.
- You will not receive disability benefits if you are receiving or are entitled to receive unemployment or Paid Family Leave benefits.
- You will not receive benefits for any day that would otherwise qualify for Paid Family Leave benefits if another family member is ready, willing, able, and available for the same period of time in a day that you are providing the required care.
- You will not receive benefits under this Plan for any disability or PFL period that does not begin while you are covered under the Plan.

COVERAGE ENDS

When does my coverage end?

- when you cease to be an eligible employee;
- at midnight of the day your employment ends;
- at midnight of the fifteenth day after you begin an unpaid LOA or on the fifteenth day following a layoff without pay;
- on the first day of the quarter following your written request to withdraw from the Plan.

If you established a Care Recipient Period while covered by this Plan, all subsequent claims for the same Care Recipient through the end of the Twelve-Month Period will remain the liability of this Plan.

CLAIMS

How do I file a claim? You must notify Matrix Absence Management, Inc. of your claim as soon as is reasonably possible or you can contact your Human Resources Department for claim forms and claim filing information. Contact the Matrix Intake Center at 1-855-354-6937 or online at www.matrixabsence.com. Matrix will send you an information packet which may include forms that you or your doctor need to complete. Fill out any required forms and return them to Matrix. You must do this within forty-five days after your first compensable day of disability (unless you can show that it was not reasonably possible for you to comply with this requirement).

When you file a claim, you will receive a Notice of Computation (DE429D) from the State that shows the amount that the State would have paid you. You should note that the way the State calculates your wages is done using wage quarters. This may result in the State awarding you a different benefit amount. Furthermore, if you were in the military service, received workers' compensation benefits or did not work because of a trade dispute during the base period, you may be able to substitute wages paid in prior quarters to make your claim valid or increase the benefit amount. If your claim is invalid because of extended unemployment during the base period, you may also be able to substitute wages paid in prior quarters to make the claim valid.

You will receive a weekly rate and maximum weekly benefit amount at least equal to the State Award rate and Maximum Benefit Award which you would have received if you were a participant in the State Disability Insurance (SDI) program. If this award is greater than the benefits you are receiving under this Plan, your benefit level will be adjusted to meet this award amount. If this award amount is less than your benefit level under the Plan, you will continue to receive the Plan benefit level.

Under the provisions of the California Unemployment Insurance Code, the Company or its authorized administrator shall have the right to (i) require supplemental forms from your, or the care recipient's, physician, or those authorized to certify to disabilities, as often as deemed necessary, and, (ii) have you, or the care recipient, examined by a physician while you are claiming benefits under the Plan. This may be done as often as may reasonably be required during the period benefit payments may be due under the Plan.

What if my benefits result in an overpayment? In the event that you are paid benefits by the Plan in excess of those to which you are entitled, the Plan has a right to recover such overpayment to the extent permitted under the California Unemployment Insurance Code and the California Code of Regulations. The Plan or Claims Administrator will make reasonable arrangements for you to repay the Plan. In no event will you be required to repay more than the amount of benefits paid to you.

What if my claim is denied? If you are denied benefits under this Plan, you may appeal the denial. You may appeal in person or in writing at any office of the Employment Development Department within thirty days from the date the notice of the denial was mailed. Written appeals must be signed and include your name, Social Security Account Number, the name of your employer and the reason you are filing the appeal.

Appeals for Paid Family Leave benefits must be sent to the following address: Paid Family Leave, PO Box 997017, Sacramento, CA 95799-7017 within thirty days of the denial.

STATE RATE

When Plan benefits are limited to the State Plan rate, you will receive benefits equal to what SDI would have paid had you been an SDI participant.

The weekly and maximum benefit will be based on disability insurance taxable wages paid to you during the "base period." Such wages must total at least \$300.

<i>If your claim begins in:</i>	<i>Your "Base Period" is the twelve month period ending the prior:</i>
Jan/Feb/Mar	September 30th
Apr/May/June	December 31st
Jul/Aug/Sep	March 31st
Oct/Nov/Dec	June 30th

STATE PLAN BENEFIT CALCULATION

Whenever the calculation of your Disability or Paid Family Leave benefit is paid at your State Plan rate or between 60 and 70 percent of your earnings, your weekly benefit amount will be equal to or greater than the State Plan rate as provided in CUI Section 2655.

Beginning January 1, 2018 AB 908 requires that for periods of disability commencing on or after January 1, 2018, but before January 1, 2022, the Voluntary Plan Disability Insurance and Voluntary Plan Paid Family Leave weekly benefit amount will be computed as follows:

If your highest quarterly wages are less than \$929, your weekly benefit amount will equal \$50.

If your highest quarterly wages are equal or greater than \$929 but less than one third of the amount of the State Average Quarterly Wages (Approximately \$5,385) your weekly benefit amount will be equal to 70% of your earnings divided by 13.

If your highest quarter wages are equal or greater than one third of the State Average Quarterly Wages (Approximately \$5,385), your weekly benefit amount will be the greater of 23.3% of the State Average Weekly Wage (\$1,242.78 for the first quarter of 2019) , or 60% of your wages in your highest quarter of your base period divided by 13.

This is a Statement of Coverage of the Salesforce.com, Inc. California Voluntary Disability Plan. The Plan document actually governs the Plan and describes all of the provisions in more detail. A copy of the complete Plan document is available for your review at Employee Success.