

Disability Coverage

If you become disabled from your job, Diageo offers you coverage under Short- and Long-Term Disability that will provide you with income replacement. To be eligible for coverage, you must be out of work for more than five consecutive days.

Company-Provided Disability Benefit

Short-Term Disability (STD)

The Company provides an STD benefit for all eligible employees if you are unable to work due to an illness or injury for up to six months.

Long-Term Disability (LTD)

The Company also provides a basic LTD benefit of 50% of your annual base salary, up to \$9,375 per month, if you are totally disabled for more than 26 weeks (six months). This level of coverage is provided at no cost to you. During Annual Enrollment, or if you are a newly hired employee of Diageo, you have the option to purchase additional coverage if you feel the 50% option is not enough.

Elective Long-Term Disability Benefits

In addition to the coverage provided by the Company, you can elect one of these additional coverage levels:

- 60% of your annual base salary, up to \$11,250 per month (you pay for an extra 10% above the Company-provided benefit)
- 70% of your annual base salary, up to \$13,125 per month (you pay for an extra 20% above the Company-provided benefit)

If you wish to enroll or increase your coverage more than one level up to Guaranteed Issue during Annual Enrollment, a Personal Health Statement (PHS) will be available online for completion during your enrollment. Your information will be submitted to The Hartford Company for review and approval in order for the coverage to become effective. *The PHS is not required if you change from 50% to 60% coverage OR if you are enrolling as a newly eligible employee (new hire) and elect 70%.*

Amount of Annual Base Salary	Rate Factor	Contribution Amount
50%	\$.145 (Company paid)	100 (Company paid)
60%	\$0.224	64.4
70%	\$0.462	31.3

Example: Let's assume your monthly gross salary is \$4,000 and you wish to purchase 60% coverage.

$(\text{Monthly salary} \times \text{Rate Factor}) \div 100 = \text{Full monthly premium}$

$4,000 \times 0.224 = \$896 \div 100 = \8.96 (Full monthly premium)

$100 - 64.4 = 35.6$ (Employee pays for the difference above 50%)

$8.96 \times 35.6 = \$318.98 \div 100 = \mathbf{\$3.19}$ (Employee monthly cost: Full premium x contribution amount divided by 100)

Do I Need the Elective Coverage?

Here are some questions you might want to ask yourself when considering whether to elect additional disability coverage beyond what the Company provides:

- If I become disabled from work, what other source of income would be available?
- If I become disabled, would I need to hire someone to care for me? If so, how would I pay for that care?
- Would I be able to provide for me and/or my dependents on the Company-provided disability benefit alone?