Quick Reference Guide

Use the "Quick Reference Guide" to learn how the Disability Plan provides continuing income if you are unable to work because of illness, injury or pregnancy. Then read on for additional information about each of these Plans.

<table>
<thead>
<tr>
<th>TYPE OF PLAN</th>
<th>ABOUT THE PLAN</th>
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</table>
| Short Term Disability (STD)   | You must enroll in the Disability Plan in order to participate. The Disability Plan may pay a benefit after you have been absent due to illness, injury or pregnancy for more than five consecutive working days or when the number of hours you are absent due to Disability are equal to the number of hours you are regularly scheduled to work in a calendar week. The amount of STD depends on:  
  • your years of service, and  
  • whether you enroll in the Disability Plan.  
  STD benefits are reduced by other sources of disability income. You must enroll in the Disability Plan in order to receive STD benefits. |
| Long Term Disability (LTD)    | You must enroll in the Disability Plan in order to participate. If you elect LabCorp Disability coverage, it goes into effect on the first day of the month following 30 days of employment. If you are disabled and unable to work for more than 182 days due to illness, injury or pregnancy, LTD pays a monthly benefit of 60% of your base pay up to a monthly maximum of $10,000. When you enroll, you can choose to pay 60% or 100% of the cost of Disability coverage with after-tax dollars. Both options provide the same level of LTD coverage (60% of your eligible base pay), but the tax implications are different depending on which option you elect. |

Who Pays the Cost of Coverage.

- You can choose to pay a portion or 100% of the cost of Disability Coverage on an after-tax basis. Your Disability contributions will change during the year if your annual base pay changes.

Short Term Disability (STD) Benefit Summary

The following is a summary of the LabCorp Short Term Disability Benefit.

When STD Coverage Begins

If you elect coverage under the Disability Plan, your coverage begins on the first day of the month following 30 days of employment with LabCorp. If you are not actively at work due to an illness, injury or pregnancy on the date your Disability coverage would have been effective, your Disability coverage begins on the first day you return to work at LabCorp.

When STD Coverage Ends

Your STD coverage under the Disability Plan ends on the earliest of the following:

- midnight on the last day of the pay period during which your employment with LabCorp terminates;
- the date you change your employment to an ineligible class of employment;
- the date you work for a LabCorp entity that has not adopted the Disability Plan;
- the date you have been on a leave of absence for a reason other than disability for more than 6 months;
- the date you die; and
- the date LabCorp terminates the Plan.
**Benefit Waiting Period**

STD benefits begin after you meet the Plan's benefit waiting period. Benefits will begin on the earlier of the following:

- the day after your 5th consecutive work day of absence due to disability, or
- the day after the day your total number of hours of disability are equal to the number of hours you are regularly scheduled to work in a calendar week. The hours of disability required for you to satisfy your benefit waiting period must be incurred within 30 days from the onset of your disability.

**Payment of Benefits**

You will receive STD benefit payments through regular payroll according to your normal payroll cycle. All normal payroll deductions will continue with the exception of your contributions to the 401k Plan and the Employee Stock Purchase Plan. When a period of Disability is less than a full week, the daily amount of benefit paid will be one-fifth (1/5th) of the weekly benefit amount.

Your STD benefits will be reduced by other sources of income, including, but not limited to any earnings paid to you by LabCorp, workers’ compensation, mandated state disability plans and any other benefits available to you under federal, state or local law.

**Amount of Benefits**

The amount of your STD benefit depends on:

- your length of employment with LabCorp, and
- whether you are enrolled in Disability coverage.

When the claims administrator determines that you meet all of the requirements of the Plan, you will receive the following Short Term Disability benefits if approved.

- **STD Benefits**: If you are enrolled in the Disability Plan prior to making a claim under the STD Benefit, STD provides an enhanced disability income benefit as shown in the chart below:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Short Term Disability Coverage Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 3 years</td>
<td>50% of earnings</td>
</tr>
<tr>
<td>At least 3 years but less than 8 years</td>
<td>60% of earnings</td>
</tr>
<tr>
<td>At least 8 years but less than 15 years</td>
<td>70% of earnings</td>
</tr>
<tr>
<td>15 years or more</td>
<td>80% of earnings</td>
</tr>
</tbody>
</table>

**Note:**

- Earnings means your straight-time base pay including shift differentials and does not include overtime pay, bonuses or any other forms of extra compensation.
- Your STD benefits will be based on your years of service as of the day before the onset of your disability.
- “Years of service” are based on your most recent, continuous period of regular employment.
Long Term Disability (LTD) Benefit Summary

This summary, together with your certificate of insurance, describe your LTD benefits. Be sure to consult your certificate of insurance for additional information about your LTD benefits.

If you have a disability that extends beyond the 182 day STD period, the LabCorp Long Term Disability (LTD) Plan provides additional financial protection.

In general, the LTD Plan provides a benefit of 60% of base pay, up to a maximum benefit of $15,000 a month. The minimum LTD benefit you can receive is the greater of $100 or 10% of your monthly LTD benefit prior to any reductions for other sources of income.

When calculating LTD benefits, the Plan uses your base pay in effect on the day before you become disabled.

Your base pay includes shift differentials but excludes bonuses, commissions, overtime pay or other extra compensation.

LTD benefits for certain conditions may be limited to a maximum of 12 months. Your LTD benefits are reduced by other sources of income available to you, including, but not limited to, workers' compensation, any Social Security benefits received by you for yourself or any of your eligible dependents and any other benefits available to you and your dependents under federal, state or local law.

When LTD Coverage Begins

You are eligible to participate in the LTD Plan on the first day of the month following 30 days of employment. You must enroll in Disability coverage within 30 days of your date or hire or during Annual Benefits Enrollment. If you are not actively at work on the date you are first eligible to enroll in LTD coverage, you will not be eligible to enroll until the first day you return to work at LabCorp. When you enroll in Disability coverage you also agree to have all (100%) or a portion (60%) of the cost of coverage withheld from your pay on an after-tax basis.

When LTD Coverage Ends

Your coverage under the LabCorp Disability Plan ends on the earliest of the following:

- the date you are eligible for coverage under a plan intended to replace LabCorp LTD coverage;
- the date LabCorp terminates the Plan;
- the date you change employment to an ineligible class of employment;
- the date you work for a LabCorp entity that has not adopted the LabCorp Disability Plan;
- the date you have been on a leave of absence, for a reason other than disability, for more than 6 months;
- the day after the end of the period for which premiums are paid;
- the date benefits end because you did not comply with the terms and conditions of the insurance coverage.

How Your LTD Benefits Are Taxed

Option 1 – You pay 60% after-tax and LabCorp pays 40%

Suppose you are out of work and receiving LTD benefits (60% of your annual base pay) based on a current salary of $25,000. Based on these assumptions, you would receive the following monthly LTD benefit:

\[
\frac{25,000}{12} = 2,084 \\
2,084 \times .6 = 1,250
\]

Monthly benefit = $1,250
Because you elected for LabCorp to pay 40% of the Disability premium and you pay 60% of the premium after-tax, 40% of your monthly LTD benefit ($500 in the example above) is subject to income tax. The remainder of the monthly LTD benefit would be tax free ($750 in the example above).

**Option 2 – You pay 100% after-tax**

Suppose you are out of work and receiving LTD benefits (60% of your annual base pay) based on a current salary of $25,000. Based on these assumptions, you would receive the following monthly LTD benefit:

\[
\begin{align*}
\text{Monthly benefit} & = \frac{25,000}{12} \times 0.6 \\
& = 2,084 \times 0.6 \\
& = 1,250
\end{align*}
\]

Because you elected to pay 100% of the Disability premium after-tax, the entire monthly LTD benefit ($1,250 in the example above) would be tax free.

Because individual tax situations vary, you should talk with a tax advisor to understand the specifics of your own situation.