

SHORT-TERM DISABILITY (SALARY CONTINUATION) POLICY

Short-term disability (STD) is intended to continue providing all or part of your pay if you are unable to perform your job because of a non-work-related injury or illness (including pregnancy or childbirth). This coverage is provided at no cost to you.

I. ELIGIBILITY

This policy applies to eligible employees of Pearson Inc., and the affiliated operating companies of Pearson Inc. that participate in this Pearson-sponsored policy. This policy does not apply to contractors, vendors or individuals employed by temporary agencies assigned to work at Pearson.

Employees in the following employment categories are eligible for STD benefits after satisfying the 30-day waiting period:

Eligible Employees

- Full-time regular (Casual/Seasonal and Regular employees only)
- Part-time regular working ≥ 20 hours per week (Casual/Seasonal and Regular employees only)

*Limited Term employees are not eligible for STD benefits. *

Individuals working in NY, NJ, CA, HI, PR and RI in the following categories (in addition to those categories listed above) may be eligible for state mandated benefits (see Section V):

- Limited Term employees
- Part-time employees working less than 20 hours
- Temporary employees
- All other employees not eligible for STD

Employees must be in an active work status or on an eligible leave of absence (Family & Medical Leave or Personal Leave) to be eligible for benefits under this policy. An employee must meet the definition of disability in Section II in order to qualify for salary continuation benefits. You will not be eligible for STD benefits if your illness or injury is the result of an attempt to commit an assault or felony.

II. DEFINITION OF DISABILITY

An employee is deemed to be disabled when, as a result of a non-work related illness or injury (including pregnancy and childbirth), the employee is unable to work more than 80% of the regularly scheduled hours of his/her material and substantial duties of his/her regular occupation as determined by Liberty Mutual/Lincoln Financial.

III. ELIMINATION PERIOD

The elimination period is the qualifying period before paid STD and is considered part of the STD leave. The elimination period is seven (7) calendar days. ***During the 7-day elimination period, the first 5 workdays will be charged against the Sick Day Policy.*** If sick time is unavailable, personal, vacation or unpaid time may be used. Holidays which occur during the elimination period are counted as part of the 7-day elimination period and are paid according to the guidelines of the Holiday Pay Policy.

STD payments begin after the elimination period, upon receipt of appropriate medical documentation and approval by Liberty Mutual/Lincoln Financial, Pearson's disability administrator.

IV. DURATION OF COVERAGE

Upon approval by Liberty Mutual/Lincoln Financial, STD is based on the following schedule:

Benefit Level	
Weeks Paid at 100%	Weeks Paid at 66 2/3%
13	12

The maximum duration of STD is 26 weeks (which includes the elimination period). The length of the leave is determined by Liberty Mutual/Lincoln Financial based on the medical condition and supporting medical documentation provided by the employee’s physician.

If the employee returns to work and *within 30 consecutive calendar days* is unable to work again due to the **same or related disability**, benefits continue from the previous effective date of disability. If the employee returns to work and *after 30 consecutive calendar days or more* of working is unable to work again due to the **same or related disability** (or any other disability), STD benefits restart with the seven (7) day elimination period and pay according to the applicable schedule above.

Once the eligible employee has met the 180-day maximum of the STD elimination period, the employee will be eligible to apply for Long-term Disability (LTD).

V. COORDINATION WITH OTHER POLICIES AND STATE-PROVIDED BENEFITS*

Employees working in states (CA, NJ, NY, PR, RI, or HI) with Temporary Disability Insurance are responsible for applying for those benefits directly through their state agency, except as noted below.

- Employees working in the state of HI will be eligible to receive salary continuation under the provisions of this policy and do not need to file with the state;
- Employees working in NY and NJ will receive their state benefit directly from Liberty Mutual/Lincoln Financial and do not need to apply for state benefits;
- Employees working in CA, PR and RI are responsible for applying for those benefits directly through their state agency.

STD benefits provided by Pearson will be reduced to coordinate with state disability benefits to provide a total combined benefit not to exceed the benefits provided under this policy whether or not the employee has applied for such state benefits.

This policy does not address leaves of absence for Workers’ Compensation or Family and Medical Leave (FML). However, STD and Worker’s Compensation run concurrently with FML, per the policies.

When an employee’s leave of absence is due to a work-related injury or illness, and the employee is provided with salary continuance from the Worker’s Compensation carrier for time away from work, benefits from this policy will not be granted.

In addition to state mandated benefits, other sources of income (such as – but not limited to - social security, no-fault insurance, railroad pension, veteran’s administration or any third-party benefits) will be deducted from your disability payment if you are collecting payment for the same condition under which you qualify for STD under this policy.

**See Appendices A to E at the end of this policy for more information about state-provided benefits.*

VI. APPROVAL PROCESS

Approvals for leaves/disabilities are considered based on the treating physician's diagnosis and the medical necessity of the individual case, in conjunction with the documentation of the appropriate treating physician. Additional medical records may be requested in order to finalize a decision.

The treating physician must provide documentation proving medical necessity for the employee to be away from work due to the illness or injury. If all applicable documentation has not been submitted, the claim will be closed 15 days (22 days if the leave is FML-related) after the filing of the initial claim. Documentation must include an anticipated date of return whenever possible. If a return date is not available, the documentation must include the date of the next scheduled appointment for the employee with his/her treating physician.

If a request for a STD leave is denied due to lack of supportive medical evidence, the employee is notified of such denial in writing. The employee has 180 days to either file a formal appeal in writing to Liberty Mutual/Lincoln Financial or submit new medical evidence for review. If the employee does not comply as required above, the employee is deemed to have voluntarily resigned employment.

The Company reserves the right to require any employee receiving STD benefits to submit additional information from the treating physician at any time during the approved benefit period. The Company also reserves the right to require any employee, applying for or receiving STD benefits, to be examined by a physician designated by the Company, at the Company's expense, to verify an employee's eligibility for such benefits.

VII. RETURN TO WORK

Employees must have a medical release from the treating physician to return to work. The medical release must be provided to the employee's manager /HR representative. If no release is provided, the employee is sent home without pay until a release can be obtained.

If the medical release provides for temporary restrictions on the type of work the employee may perform, and the Company is unable to place the employee in a job because of such restrictions, the employee may be returned to leave status, if medically appropriate, until released without restrictions. If the employee cannot be accommodated due to restrictions, and has exhausted his/her STD benefits, if eligible and properly submitted, the claim will be considered for LTD.

The employee is required to return to work on the release date determined by the treating physician. If the employee does not return to work or contact the company within three (3) business days of medical release, the employee is considered to have voluntarily terminated employment with the Company. If the employee is on an approved STD/leave and is unable to return to work for medical reasons after the end of the 26-week STD period, the eligible employee may apply for LTD benefits. Refer to the [LTD Plan](#) for more information.

Every reasonable effort is made to reinstate an employee to his/her previous position upon return from STD. However, there is no guarantee of a position being available upon return from a medical leave of absence, except as required by Federal and State regulations.

If an employee returning from STD is a qualified individual with a disability, who requires a reasonable accommodation to perform the essential functions of his/her job, the employee should request such accommodation by contacting the Corporate Employee Relations department at 201-236-3525. Pearson complies with the Americans with Disabilities Act (ADA), and will take all required actions in this regard.

VIII. COMPENSATION

Generally, employees may not work for other compensation while on STD. In very limited circumstances, employees may be able to work for other compensation outside of Pearson. In those instances, employees are required to coordinate with Liberty Mutual/Lincoln Financial, their Leave

Coordinator and their Pearson manager so as not to disqualify themselves from future STD benefits. Differentials, holiday pay, vacation pay or any other additional compensation will not be paid while the employee is on an approved STD leave. Any additional remuneration such as bonuses, commissions and incentives will be paid in accordance with the governing plan document for the respective plan. Merit increases to the employee's base pay during his/her STD leave will not be effective until the date the employee returns to a full work schedule. Increases will not be made retroactively.

Employees will receive payment via direct deposit. Taxes and regular deductions continue to be taken from any pay received through salary continuation.

IX. BENEFITS

Employee benefits continue while the employee is on an approved disability leave. While on STD, vacation time accrues. However, employees may not carry-over unused vacation into the next year and will not receive payment in lieu of taking the vacation time.

X. FRAUD

Any person who defrauds or deceives Pearson or Pearson's disability administrator, files a statement of claim containing any false, incomplete, or misleading information is guilty of insurance fraud, which is a crime. Penalties may include imprisonment, fines, a denial of benefits and/or termination from Pearson.

XI. RESERVATION OF RIGHTS

The Company reserves the right to amend, modify or terminate this policy at any time and without advance notice, subject to the requirements of applicable law. Please keep in mind that this STD policy, any changes to it, or any payments to it, or any payments to you under its terms, does not constitute a contract of employment with the Company and does not give you the right to be retained in the employment of the Company.

APPENDIX A: Summary of New Jersey Disability and State Leave Provisions

The following briefly highlights the provisions under New Jersey's disability and state leave programs. You may be eligible for coverage under these programs in addition to the coverage provisions under the Company's Short-Term Disability, Salary Continuation, Family and Medical Leave (FML) and Paid Parental Leave policies. Information regarding these policies is located in myHR. If you have questions about how these various leaves coordinate with Company policies, please contact your Leave Coordinator.

A. New Jersey Temporary Disability Benefit

New Jersey Temporary Disability Benefit (NJTDB) is designed to partially replace wages you lose because of a disability that is not work-related. If eligible and upon Liberty Mutual/Lincoln Financial's approval of the disability, your state benefits will come directly from Liberty Mutual/Lincoln Financial. Wages you receive under the Company's salary continuation policy while on short-term disability will be reduced by benefits you receive under NJTDB. Under NJTDB you may be eligible to receive weekly wages up to the state maximum weekly benefit. Under no circumstances can NJTDB benefits plus wages (through the salary continuation policy) exceed your regular weekly wage.

NJTDB runs concurrently with FML.

B. New Jersey Family Leave Act (NJFLA)

The New Jersey Family Leave Act grants eligible employees time off from work in connection with the birth or adoption of a child or the serious illness of a parent (in-laws, step-parents, foster parents, adoptive parents, or others having a parent-child relationship with an employee), child or spouse. The NJFLA provides for up to twelve (12) weeks of leave in a 24-month period. The 24-month period begins on the first day of the employee's first NJFLA leave. The NJFLA does not provide employees with leave for their own disabilities.

The NJFLA runs concurrently with NJFLI (see below) and FML except in the case of caring for a parent-in-law or step-parent which is not covered by FML.

C. New Jersey Family Leave Insurance (NJFLI)

The NJFLI extends the state's Temporary Disability Insurance (TDI) program to provide benefits for employees taking leave to care for a family member suffering a serious health condition or taking leave to bond with their newborn or newly adopted child. You may be eligible to receive partial weekly wages up to the state maximum weekly benefit.

The law permits up to 6 weeks of paid leave for workers (over a 12-month period) to provide care for a sick family member or care for a newborn or newly adopted child. Employees cannot receive simultaneously benefits under NJFLI and any other NJ disability law or an unemployment compensation program.

Benefit entitlement will be reduced up to two weeks for any paid sick leave, vacation time, or other leave at full pay required to be taken by the Company. Additionally, all benefits will run concurrently with leave provided under the Federal Family and Medical Leave (FML) and with the New Jersey Family Leave Act (NJFLA). NJFLI does not provide job protection or return rights.

All eligibility determinations will be made by the State of New Jersey. For more information, contact the NJ Department of Labor at (609) 292-7060 or visit www.nj.gov/labor/fli/fliindex.html.

D. Examples of Leave and Benefit Coordination

Below is an example of a typical leave. It outlines how Federal law, State of New Jersey provisions and Company programs coordinate during pregnancy disability leaves. If you have questions about how these various leaves coordinate with Company policies, please contact your Leave Coordinator.

Week #	STD	NJTDB	FML	Company Provided Parental Leave	NJFLA	NJFLI (1)
	PIR	PIR	UNP	FIR	UNP	PIR
Week 1	X	X	X			
Week 2	X	X	X			
Week 3	X	X	X			
Week 4	X	X	X			
Week 5	X	X	X			
Week 6	X	X	X			
Week 7			X	X	X	X
Week 8			X	X	X	X
Week 9			X		X	X
Week 10			X		X	X
Week 11			X		X	X
Week 12			X		X	X
Week 13					X	
Week 14					X	
Week 16					X	
Week 17					X	
Week 18					X	

After exhausting Disability payments (STD + NJTDB and NJFLI where applicable) you may be eligible to continue your pay by using unused vacation and personal days.

PIR = Partial Income Replacement

UNP = Unpaid

FIR = Full Income Replacement

(1). May be reduced up to two weeks for any paid sick leave, vacation time, or other leave at full pay required to be taken.

APPENDIX B: Summary of New York Disability Provisions

The following briefly highlights the provisions under New York's disability program. You may be eligible for coverage under this program in addition to the coverage provisions under the Company's Short-Term Disability, Salary Continuation, Family and Medical Leave (FML) and Paid Parental Leave policies. Information regarding these policies is located in myHR. If you have questions about how these various leaves coordinate with Company policies, please contact your **Leave Coordinator**.

A. New York Disability Benefits Law (NYDBL)

New York Disability Benefits Law is designed to partially replace wages you lose because of a disability that is not work-related. If eligible and upon Liberty Mutual/Lincoln Financial's approval of the disability, your state benefits will come directly from Liberty Mutual/Lincoln Financial. Wages you receive under the Company's salary continuation policy while on short-term disability will be reduced by benefits you receive under NYDBL. Under NYDBL you may be eligible to receive weekly wages up to the state maximum weekly benefit. Under no circumstances can NYDBL benefits plus wages (through the salary continuation policy) exceed your regular weekly wage. NYDBL runs concurrently with FML.

B. New York Paid Family Leave (NYPFL)

New York State Paid Family Leave (PFL) law provides partial income replacement and job protection while workers are on leave for covered reasons, such as bonding with their child (during the first 12 months following the birth, adoption, or fostering of a child), caring for a close relative with a serious health condition, or helping relieve family pressures when someone is called to active military service. NYPFL runs concurrently with FML.

APPENDIX C: Summary of California Disability and State Leave Provisions

The following briefly highlights the provisions under the various California disability and state leave programs. You may be eligible for coverage under these programs in addition to the coverage provisions under the Company's Short-Term Disability, Salary Continuation, Family and Medical Leave (FML) and Paid Parental Leave policies. Information regarding these policies is located in myHR. If you have questions about how these various leaves coordinate with Company policies, please contact your Leave Coordinator.

A. Disability/Leaves That ARE NOT due to Pregnancy or Birth of a Child

California State Disability Insurance (SDI)

California State Disability Insurance (SDI) is designed to partially replace wages you lose because of a disability that is not work-related. The definition of disability may differ from the Company's definition of disability. Therefore, in some instances, you may qualify for benefits under State coverage but not under the Company's coverage or vice versa.

State SDI benefits will offset the amount of income you are eligible to receive under the Company's salary continuation policy while on short-term disability. You may be eligible to receive approximately 55% of your pre-disability weekly wages up to the state maximum weekly benefit. Although benefits may be paid by the state as well as by the Company, under no circumstances can SDI benefits plus wages (through the salary continuation policy) exceed your regular weekly wage. STD benefits provided by the Company will be reduced to coordinate with state disability benefits whether or not you have applied for such state benefits. Any overpayments made through payroll during the time you are on STD prior to receipt of a statement of any other state disability benefits will be calculated and then deducted from your pay.

For details regarding California SDI, **including applying for benefits**, you should contact the Employment Development Department (EDD) directly at 1-800-480-3287 or visit www.edd.ca.gov/File_and_Manage_a_Claim.htm

California Paid Family Leave (PFL)

When you are on an unpaid leave of absence to care for a seriously ill child, spouse, parent, or registered domestic partner, or to bond with a newly born or adopted minor child, PFL may provide partial income replacement benefits of approximately 55% of your lost wages. PFL offers up to six (6) weeks of benefits in a 12 month period. There is customarily a seven-day unpaid waiting period before benefits begin. However, if you've already fulfilled the required seven-day waiting period for SDI benefits when taking Pregnancy Disability Leave (PDL – see below), this time counts for PFL. In other words, you are not required to wait an additional seven days before receiving compensation.

PFL can run concurrently with CFRA (see below) and FML. PFL does not provide job protection or return rights.

For details regarding California PFL, **including applying for benefits**, you must contact the Employment Development Department (EDD) directly at 1-877-238-4373 or visit www.edd.ca.gov/File_and_Manage_a_Claim.htm

B. Disability/Leaves That ARE due to Pregnancy/Birth of a Child

In addition to the California State Disability State Insurance and California Paid Family Leave described above, you may also be eligible for the following:

California Pregnancy Disability Leave (PDL)

California Pregnancy Disability Leave (PDL) provides up to four (4) months of disability leave if you are disabled due to pregnancy, childbirth, or a related medical condition and physically unable to work due to the pregnancy or pregnancy-related condition. This includes time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, recovery from childbirth, and any related medical condition. In general, you must provide at least thirty (30) days notice before taking PDL. This leave runs concurrent with the coverage provided under the Company’s short-term disability policy and with FML. PDL may be taken on an intermittent basis (i.e., in small increments but not more than four (4) months in the aggregate).

California Family Rights Act (CFRA)

CFRA is an additional 12 weeks of unpaid leave to allow you to bond with your baby. Like the federal FML, CFRA also provides job/benefit protection and return rights. It begins once you are no longer on disability following the birth of your child. Depending on the length of your disability (which is covered under FML), the CFRA may run concurrently with the remaining portion of your FML which is used for bonding time with your baby. Note – depending upon your Operating Company’s individual parental leave policy, you may be eligible to receive salary continuation during the “baby bonding” period of your FML leave and/or CFRA leave.

Examples of Leave and Benefit Coordination⁽¹⁾

Below is an example of a typical (postpartum) maternity leave. It outlines how the Federal, State of California provisions and Company programs coordinate during pregnancy disability leaves. If you have questions about how these various leaves coordinate with Company policies, please contact your Leave Coordinator.

Week #	STD	CASDI	FML	Company Provided Parental Leave	CFRA	PFL
	PIR	PIR	UNP	FIR	UNP	PIR
Week 1	X	X	X			
Week 2	X	X	X			
Week 3	X	X	X			
Week 4	X	X	X			
Week 5	X	X	X			
Week 6	X	X	X			
Week 7			X	X	X	
Week 8			X	X	X	
Week 9			X		X	X
Week 10			X		X	X
Week 11			X		X	X
Week 12			X		X	X
Week 13					X	X
Week 14					X	X
Week 16					X	
Week 17					X	
Week 18					X	
Week 19					X	

After exhausting Disability payments (STD + SDI) you may be eligible to continue your pay by using unused vacation and personal days. **PIR** = Partial Income Replacement. **UNP** = Unpaid. **FIR** = Full Income Replacement. (1). PDL may also be applicable

APPENDIX D: Summary of Puerto Rico Maternity Provision

The following briefly highlights the provisions under Puerto Rico's Working Mothers Act. You may be eligible for coverage under this program in addition to the coverage provisions under the Company's Short-Term Disability, Salary Continuation, Family and Medical Leave (FML) and Paid Parental Leave policies. Information regarding these policies is located in myHR. If you have questions about how this provision coordinates with Company policies, please contact your Leave Coordinator.

A. Working Mothers Act

The Working Mothers Act provides an eight-week maternity leave at full pay for employees working in Puerto Rico. This leave generally begins four weeks before delivery and continues for four weeks after delivery. You have the option of beginning maternity leave as late as the week prior to your scheduled date of childbirth, provided you present a medical certification authorizing employment up to that time. This allows you to extend the remaining leave to seven (7) weeks after birth. As a result, you can receive 100% of pay for eight weeks for a maternity-related disability. If you remain disabled for more than eight weeks, the remainder of the disability period will be subject to the standard short term disability benefits described in the policy. The eight-week maternity leave counts toward the maximum 26-week benefit period and runs concurrent with FML.

B. Puerto Rico Temporary Disability Insurance

Puerto Rico Temporary Disability Insurance (Seguro por Incapacidad No Ocupacional de los Trabajadores – SINOT) is designed to partially replace wages you lose because of a disability that is not work-related. The definition of disability may differ from the Company's definition of disability. Therefore, in some instances, you may qualify for benefits under State coverage but not under the Company's coverage or vice versa.

You may be eligible to receive weekly wages up to the state maximum weekly benefit. Although benefits may be paid by the Commonwealth as well as by the Company, under no circumstances may Commonwealth disability benefits plus wages (through the salary continuation policy) exceed your regular weekly wage. Wages you receive under the Company's salary continuation policy while on short-term disability will be reduced by benefits you receive from the Commonwealth whether or not you have applied for such benefits. Any overpayments made through payroll during the time you are on STD prior to receipt of a statement of any other Commonwealth disability benefits will be calculated and then deducted from your pay.

Employees on disability leaves due to maternity are not allowed to apply for benefits under SINOT as they are covered under The Working Mothers Act. Employees who are disabled beyond the maternity leave (the 8 weeks covered under The Working Mothers Act) should apply for benefits under SINOT. The eight-week maternity leave and subsequent disability leave count toward the maximum 26-week benefit period and runs concurrent with FML.

Puerto Rico Temporary Disability Insurance runs concurrently with FML.

For details regarding Puerto Rico TDI, **including applying for benefits**, you must contact the Department of Labor and Training directly at 1-787-754-2412 or 2143 or visit www2.pr.gov/Pages/default.aspx

APPENDIX E: Summary of Rhode Island Disability Provision

The following briefly highlights the provisions under Rhode Island's disability program. You may be eligible for coverage under this program in addition to the coverage provisions under the Company's Short-Term Disability, Salary Continuation, Family and Medical Leave (FML) and Paid Parental Leave policies. Information regarding these policies is located in myHR. If you have questions about how these various leaves coordinate with Company policies, please contact your Leave Coordinator.

Rhode Island Temporary Disability Insurance (RITDI)

Rhode Island Temporary Disability Insurance is designed to partially replace wages you lose because of a disability that is not work-related. The definition of disability may differ from the Company's definition of disability. Therefore, in some instances, you may qualify for benefits under State coverage but not under the Company's coverage or vice versa.

You may be eligible to receive weekly wages up to the state maximum weekly benefit. Although benefits may be paid by the state as well as by the Company, under no circumstances can RITDI benefits plus wages (through the salary continuation policy) exceed your regular weekly wage. Wages you receive under the Company's salary continuation policy while on short-term disability will be reduced by benefits you receive (or are entitled to receive) under RITDI whether or not you have applied for such state benefits. Any overpayments made through payroll during the time you are on STD prior to receipt of a statement of any other state disability benefits will be calculated and then deducted from your pay.

RITDI runs concurrently with FML.

For details regarding Rhode Island TDI, **including applying for benefits**, you must contact the Department of Labor and Training directly at 1-401-462-8430 or visit www.dlt.ri.gov/tdi/.