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## Financial Advisor Income Continuation

If you experience an illness or injury that keeps you from working for a period of time, income continuation may provide a level of financial protection for up to 90 calendar days in a 12-month period for that illness or injury.

*Income Continuation does not include routine maternity conditions. Please see the Parental Leave Program for leave options associated with a birth or adoption of a child.*

***Income continuation is a minimum payment. Financial advisors receive this payment ONLY when the payment is greater than the financial advisors' actual commissions/fees generated for the month.*** If a financial advisor's commissions/fees are greater than the income continuation payment amount as defined below, the financial advisor will not receive any income continuation payment. Financial advisors will continue to receive their commissions/fees when on leave. Only employee and Service Partner financial advisors are eligible for income continuation.

A leave of absence can be taken in a full/continuous block of time, intermittently when it needs to be taken in separate blocks of time or a reduced work schedule due to a single qualifying reason. For more information on how to request a leave of absence, see the *Requesting a Leave & Medical Leave Approval* section below.

When on a paid leave, a financial advisor will continue to receive MGS, Supplemental Salary or Service Partner Base Payments each month (when applicable) as provided in the Financial Advisor Commissions Policy that may be found on JonesLink at WEB095610. The financial advisor will receive the greater of the MGS or Service Partner Base Payments and income continuation payment. When on continuous unpaid leave, a financial advisor will no longer receive the MGS, Supplemental Salary or Service Partner Base Payments.

Claims for a work related illness or injury must be filed through Workers' Compensation. If the Workers' Compensation benefit is less than the Income Continuation payment, the difference will be paid through Income Continuation.

## Eligibility

Financial Advisors who are employees or Service Partners will be eligible for income continuation by meeting all of the following:

- The first day of the month following their first full month of service;
- Are approved as disabled by the disability claims administrator;
- Out of the office due to an approved disability for 14 consecutive calendar days ; and
- On an Edward Jones approved medical leave.

## Disability Claim Approval

### *Disabled Definition*

The term "disability" or "disabled" means that due to sickness or as a direct result of accidental

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injury you are unable to perform one or more of the essential duties of your occupation. You are considered disabled if you earn less than 80% of your pre-disability earnings and are unable to perform one or more of the essential duties of your own occupation for any employer in your local economy.

## *Other Considerations*

In addition, to being considered disabled, you must:

- be receiving appropriate care and treatment from a health care provider whose medical training and clinical specialty are appropriate to treat your disabling condition;
- be compliant with your health care provider's treatment requirements; and
- provide medical certification of your disability as required by the claims administrator or Edward Jones.

As a financial advisor, even though your job requires a license, you are not considered disabled solely because of the loss of a license.

Income continuation does not cover disabilities resulting from all conditions. See the *Exclusions and Limitations* section on page 7 for more information.

## *Filing a Disability Claim*

Eligible financial advisors must file a disability claim for consideration of income continuation payments. Once you open a leave case in the Edward Jones Time, Absence and Leave Management system, the request will be shared with MetLife, the firm's disability administrator. MetLife will reach out to you directly to confirm the leave request and gather additional information. When speaking with MetLife, please have the following information available:

- Doctor's name, address, phone number, fax number
- Contact person at doctor's office, if other than the doctor
- Date of first treatment
- Leave start date - surgery date, if applicable
- Names of any hospitals or treatment facilities and their contact information
- Other income sources (ex. State Disability Payments, Social Security Payments, etc.)
- Return to work date, if known

For claims filed with the claims administrator you may check the status of your claims by calling 833-711-1375. It is the financial advisor's responsibility to provide the disability administrator with the necessary medical information to support the disability claim. Failing to do so may result in the claim being denied or a delay in income continuation payment, if eligible.

## **Out of the Office**

The financial advisor must be out of the office due to the approved disability for at least 14 calendar days prior to becoming eligible for income continuation payments. The financial advisor will continue to receive commissions/fees during this 14 calendar day period.

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## Requesting a Leave & Medical Leave Approval

In addition to having a disability approved by the claims administrator, the financial advisor must be on an approved medical leave (i.e., approved time off). To request a leave:

1. Navigate to the Time, Absence and Leave Management system and select My Time Off under the Time off Requests & Scheduling tab.
2. Create a New Request and navigate to the following screen where you can either select a time of request due using paid time off, or by selecting Leave of Absence Request.
3. Select Leave of Absence Request.
4. Create a New Leave Request and select "I have another health condition (not pregnancy-related)" as the leave reason.
5. Complete the rest of the workflow and submit your request. Submit your request for medical leave at least 4 weeks before a scheduled health procedure or as soon as possible if there is an urgent medical need.

For associates that do not have access to the system, please call HRHELP at 1-800-440-3060, or 314-515- 1006 or ext 5-1006 to request a leave of absence.

You will have a dedicated Case Manager on the Leave of Absence team that will review and send the required leave of absence paperwork. In the leave request, provide an email address that your Case Manager will use throughout the duration of your leave to provide updates on the status of your request. Contact information for your Case Manager will be provided to you once your leave is opened.

## Systems Access

When on a full-time continuous leave of absence, system access will be turned off. Access will not be restored until the proper "Release to Return to Work" form is received by the Leave of Absence Team. When on an approved intermittent or reduced schedule leave of absence, system access will be left on for the duration of your leave.

## When Payment Begins

If the disability claim is approved, the claims administrator will notify Edward Jones to issue income continuation payments. For financial advisor trainees, the payment will be paid biweekly. For all other financial advisors, the income continuation payment will be paid monthly on the first Friday of the month.

Eligibility for income continuation payments will be considered by the disability administrator as of the 15th continuous calendar day of disability and, if approved, are payable retroactive to the financial advisor's first day of disability.

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## When Payment Ends

Income continuation payments will end on the 90th consecutive day of the disability or, if earlier, the date the financial advisor:

- is no longer disabled;
- is no longer under the care of a licensed physician (other than yourself, if you are a physician);
- starts regular work at a reasonable occupation as determined by your claims administrator;
- refuses to be examined by an independent physician, as requested;
- a required independent medical exam report fails to confirm your disability;
- disability cannot be confirmed because MetLife has not received a required independent medical exam report (If, when received, the report confirms your disability, claims administrator will certify the period of disability retroactive to the date it ended);
- refuses to follow a treatment plan;
- retires, or ends employment;
- refuses an accommodation by their employer that would allow them to return to work, or
- passes away.

The maximum benefit period for any one cause of disability is 90 days within any 12-month period.

## Separate Disabilities

When income continuation payments are received for a disability and the financial advisor has a subsequent disability, the disability periods are considered to be separate disabilities only if your subsequent disability is due to:

- a separate and unrelated illness or injury; or
- the same or related disability and you have returned to work full-time for more than 30 consecutive calendar days.

## Recurring Disabilities

In some cases, a financial advisor may have an illness or injury that is recurring or happens repeatedly. If this occurs, the disability periods are combined and treated as one disability when your recurring disability is due to:

- the same or related illness or injury; and
- the financial advisor returns to work full-time for 30 calendar days or fewer between disabilities.

## Calculation of Income Continuation Payments

This minimum payment amount is calculated differently based on the financial advisor's current compensation structure and type of leave.

## ***Financial Advisor Trainees & Interns***

### Continuous Leave

For financial advisor trainees and interns on a continuous leave, income continuation payments are calculated at 75% of their biweekly training pay (as of the date of their disability). This

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calculation will be reduced by various other income sources. See *Income Which Will Reduce Your Income Continuation Payment* for more information.

*Intermittent or Reduced Schedule Leave* Financial advisors on intermittent or reduced-schedule leave will receive the greater of the monthly income continuation payment amount (as explained above) or bi-weekly training pay for actual hours worked during for the month.

## **All Other Eligible Financial Advisors**

### *Continuous Leave*

Financial advisors on paid continuous leave will continue to receive commissions and fees, and FA supplemental salary or income guarantee, if applicable. Minimum guaranteed salary (MGS) and Service Partner Base Payments, as applicable, will continue during paid continuous leave.

Income continuation payments for a continuous leave are calculated based on 75% of their average monthly earnings for the 6 selling months less the highest and lowest months prior the date of their disability.

Average monthly earnings include income guarantee, commissions and fees. Average monthly earnings exclude all bonuses.

### *Intermittent or Reduced Schedule Leave*

Financial advisors on intermittent or reduced schedule leave will continue to receive commissions and fees. If applicable, they will also continue to receive FA supplemental salary and guarantee. Minimum guaranteed salary (MGS) and Service Partner Base Payments, as applicable, will continue to be paid on the mid-month check.

Income continuation payments for an intermittent or reduced schedule leave are calculated based on 75% of average monthly earnings for the 6 selling months less the highest and lowest months prior to the date of disability.

Average monthly earnings include commissions and fees. Average monthly earnings exclude all bonuses.

## **Continuous Leave, Partial Month**

When financial advisors are on leave for part of a selling month the financial advisors' income continuation calculation will be prorated based upon the number of eligible paid leave days for that month.

For example, the month of September has 20 business days. A financial advisor was on paid leave for the first 12 of these 20 business days or 60% of the selling month. The income continuation payment will be multiplied by 60% to determine the income continuation amount for that first selling month of leave.

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## Examples

### Continuous and Intermittent Paid Leave Example

Let's assume an FA goes on leave in the middle of May and remains on leave through the month of June. For the month of May, the FA was on leave for 12 out of the 20 business days in a selling month or 60% of the month.

#### Assumptions

Prior 6 months Net Commissions:

November	December	January	February	March	April
11,500	10,000	8,000	9,000	10,500	9,500

May Net Commissions = 6,500

June Net Commissions = 5,000

#### Income Continuation Calculation

Sum of prior 6 months less the highest and lowest months:

(58,500-11,500-8,000) 39,000

Average of remaining months 9,750

75%

Monthly Income Continuation Amount: 7,313

#### Income Continuation Payment Calculation

	May		May Total	June		June Total
	60% on Leave			100% on Leave		
Monthly Income Continuation Amount	7,313	60%	4,388	7,313	100%	7,313
Net Commissions Generated	6,500	60%	<u>-3,900</u>	5,000	100%	<u>-5,000</u>
Income Continuation Payment			488			2,313

#### Payment to Financial Advisor

	May	June
	60% on leave	100% on leave
Net Commissions	6,500	5,000
Income Continuation Payment	<u>488</u>	<u>2,313</u>
Total pay for month*	6,988	7,313

Minimum Guarantee Salary and any applicable Supplemental Salary will continue to pay while on paid continuous and intermittent leave

\*(combination of mid-month and 1st Friday checks)

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## Continuous and Intermittent Paid Leave With Salary Example

Let's assume an FA goes on leave at the end of January and remains on leave through the month of February. For the month of January, the FA was on leave for 7 out of the 20 business days in a selling month or 35% of the month.

### Assumptions

Prior 6 months Net Commissions:

July	August	September	October	November	December
8,500	6,000	7,000	5,500	8,000	7,000

January Net Commissions = 5,000

Monthly Salary = 3,000

February Net Commissions = 3,000

### Income Continuation Calculation

Sum of prior 6 months less the highest and lowest months:

(42,000-8,500-5,500) 28,000

Average of remaining months 7,000

75%

Monthly Income Continuation Amount: 5,250

### Income Continuation Payment Calculation

	January	January Total	February	February Total
	35% on Leave		100% on Leave	
Monthly Income Continuation Amount	5,250	35%	1,838	5,250 100% 5,250
Net Commissions Generated	5,000	35%	<u>-1,750</u>	3,000 100% <u>-3,000</u>
Income Continuation Payment			88	2,250

### Payment to Financial Advisor

	May	June
	35% on leave	100% on leave
Supplemental Salary	3,000	3,000
Net Commissions	5,000	3,000
Income Continuation Payment	<u>88</u>	<u>2,250</u>
Total pay for month*	8,088	8,250

*Minimum Guarantee Salary and any applicable Supplemental Salary will continue to pay while on paid continuous and intermittent leave*

*\*Combination of mid-month and 1st Friday checks*

## Income Which Will Reduce Your Income Continuation Payment

Income continuation payments are reduced by any other benefits or income you receive from another source (or because of certain laws), including:

- commissions and fees;
- benefits you receive or are eligible to receive from any government compulsory

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benefit plan or program (such as state disability or state unemployment benefits);

- Social Security benefits, excluding any amounts for which your dependents may qualify because of your disability; and
- any workers' compensation or occupational disease act or law.

If income continuation payments are reduced to zero because of income from other sources, the period during which payments would have been paid will still count toward your maximum leave period. Financial advisors must apply for any other payments, such as Social Security disability benefits, for which they are eligible. Unless financial advisors can provide proof their application was denied, income continuation payments will be offset as though they did apply for the other payments and are receiving them. Also, you are required to appeal any denials from these sources to the fullest extent permitted by law prior to receiving income continuation.

Payments will not be reduced by income received from a military or government pension, veteran's benefits, individual disability insurance, mortgage disability insurance, group credit insurance, or another employer's retirement plan before your date of disability.

**Note:** If a disability claim is overpaid, it is the financial advisor's responsibility to reimburse Edward Jones for any overpayment. Until arrangements are made to repay an overpayment, any income continuation payments that become payable to you may be reduced to recover the overpayment.

## Exclusions and Limitations

Income continuation payments are not paid for any period of disability that the financial advisor is not under the regular care of a licensed physician. In addition, Edward Jones does not pay income continuation payments for illnesses or injuries that are caused by or contributed to by:

- war or act of war, declared or undeclared;
- a work-related injury or illness;
- insurrection or rebellion;
- your active participation in a riot;
- your commission of or your attempt to commit a felony;
- being engaged in an illegal occupation;
- any period of disability while you are incarcerated;
- cosmetic surgery unrelated to accidental injury;
- illnesses or injuries that are a result of intentionally self-inflicted injuries or attempted suicide, while sane.

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## **Branch Support**

Offices in Transition will provide branch support, as needed, during a financial advisor's leave of absence. Support may be provided from the Home Office or depending upon the size of the branch and length of leave, a transitional representative (TR) may be sent to the branch to provide direct support. The type of support provided will be determined by Offices In Transition with input from the financial advisor. See the Offices in Transition site or call them at x56211 for additional information.

## **Working from Home/Laptop Request (for Intermittent or Reduced Schedule Leaves ONLY)**

With approval from the firm and a release from the physician, the financial advisor may be approved to work at home in a reduced capacity. For consideration to work from home, the financial advisor must first fax a copy of their doctor's authorization to work from home to their assigned Leave of Absence Case Manager. Their request will be reviewed based on the duration of their leave, information provided by the health care provider, availability of a laptop and registration requirements.

## **Registration**

Financial advisors and branches must have proper registrations with all regulators (i.e. FINRA and the states) in order to conduct business. In some cases, it may be necessary to de-register a branch with the regulators at the time a financial advisor goes on leave. If this is necessary, the financial advisor will be notified.

## **Return to Work Process**

Prior to returning to work, the financial advisor must first obtain a written release from an appropriate health care provider. In order to ensure that proper registrations are in place and that the financial advisor is able to conduct business, the Leave of Absence Team must be notified as early as possible of the actual date you will be returning to work. The anticipated date is shared with the Registration department, which will begin the process of registering the branch. Early notification of the return from leave is essential, as the process to register a branch can take as long as two weeks. Until registration occurs, the financial advisor cannot work. Once the financial advisor is released to return to work, income continuation payments will end, even if the financial advisor is still waiting for confirmation that his or her branch has been reregistered with FINRA.

## **Job Protection/Restoration During Medical Leave**

If the financial advisor has been approved for job protected leave under the Family Medical Leave Act (FMLA) or other applicable laws or policies of Edward Jones, income continuation payment will apply during your leave until the income continuation payment eligibility has been exhausted, which may or may not be prior to the exhaustion of the FMLA or Edward Jones job protection.

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The exhaustion of income continuation payment does not affect the amount of protected leave time to which the financial advisor may be entitled. Please see the Family and Medical Leave Act (FMLA) Guidelines for additional details on job protection under the FMLA and Edward Jones policies.

## Financial Information

The income continuation payment is funded by Edward Jones. Financial advisors are not required to enroll in or to have paid a monthly premium in order to access it.

- Financial Advisors on unpaid continuous leave will not receive MGS.
- Financial Advisors on unpaid continuous leave will not receive Supplemental Salary.
- Financial Advisor Service Partners on unpaid continuous leave for the entirety of a month will not receive Service Partner Base Pay (SPBP). SPBP may be prorated in the month going on or returning from unpaid leave.
- FAs on paid continuous leave or intermittent leave will continue to receive SPBP.
- If applicable, financial advisors on leave (continuous or intermittent) will continue their participation in the business expense plan.
- If applicable, Financial Advisors on continuous leave will receive a reallocation credit towards their business expense plan commission adjustment based on the number of days on leave.
- Parental Leave paid to the financial advisor will be charged against the branch P&L and will be considered as compensation for the purpose of the profitability bonus calculation.

## Contact

For *general information/questions*, related to the leave of absence options, payment or processes contact HRHelp at: [HRHELP@edwardjones.com](mailto:HRHELP@edwardjones.com), 1-800-440-3060, 314-515-1006 or ext 5-1006.

*If you are on an approved leave of absence* from Edward Jones and have specific questions related to your open leave of absence, please contact your Case Manager as listed on your leave paperwork.

*For questions about your disability claim*, please contact: MetLife at 1-833-711-1375