

WORDS AND PHRASES

Some terms used in the Plan are defined below. Other terms may be explained where used in another part of the Plan.

- (a) **“Active Employee”** - An Employee who reports to work or is able to report to work at the Employee’s usual place of employment and is able to perform the essential functions of the Employee’s job.
- (b) **“Actively at Work”** - An employee is Actively at Work if the employee:
 - 1) reports for work at the Employee’s usual place of employment (“usual place of employment” includes work performed outside of the Employee’s home and work done from home by telecommuting — as long as the Employee can record hours worked on his or her timesheet, regardless of location, and the employer agrees to the working arrangement); and
 - 2) is able to perform all of the essential (usual and customary) duties of such Employee’s occupation on a regular full-time basis.

An Employee who does not report for work or whose usual place of employment is in the home shall be considered “Actively at Work,” if, at any time on the date in question, the Employee is neither:

 - 1) a hospital patient; nor
 - 2) disabled to a degree that the Employee could not have reported to a place of employment outside of the home and performed all of the usual and customary duties of the person’s occupation on a regular full-time basis.
- (c) **“Annual Earnings”** - Base annual salary and does not include any other compensation such as longevity pay, fringe benefits, bonuses, overtime pay, or summer school compensation.
- (d) **“Coverage”** - All of the terms and provisions appearing under the section providing the particular kind of coverage.
- (e) **“Dependent”** Means the following, as long as such person is not otherwise eligible to be covered as an Employee under the Plan; or, if such person was previously eligible, is no longer eligible because of a disability.
 - 1) the Employee’s spouse who is not divorced or legally separated from the Employee as recognized by Federal and South Dakota Law;
 - 2) Each of the Employee’s children who is:
 - a) unmarried;

- b) under the age of 19 or under the age of 29 if a full-time student. For purposes of life coverage, benefits shall cease for a Dependent Child on the last day of the month in which each child attains age 19, or age 29 if a full-time student if applicable premium is paid;
- c) not employed on a regular full-time basis; and
- d) not in military service.

The term “children” means children by birth, adopted children, children who have been placed for adoption, stepchildren, or children who live with the Employee in a legal parent-child relationship (legal guardianship).

Newborn children may be covered at birth provided the Plan is notified within 90 days of the birth and the appropriate premium is paid.

The following individuals are not included in the definition of Dependent except under special COBRA qualifying conditions:

- ex-spouse(s) of Employee;
- married children of Employee;
- children of Employee who are employed full-time; and
- children of Employee who are serving in the military.

“Dependent Children” – Children who meet the definition of “Dependent” include children by birth, adopted children, children who have been placed for adoption, stepchildren, or children who live with the Employee in a legal parent-child relationship (legal guardianship).

Newborn children may be covered at age 14 days provided the Plan is notified within 90 days of the birth and the appropriate premium is paid.

Notwithstanding the above, “Dependent Children” also include an eligible Employee’s child named as an alternate recipient with respect to such eligible Employee under a medical support order (as defined in ERISA Section 609(a) (2) (A)).

- (f) **“Eligible Employee”** - An active Employee placed in a permanent position, employed by a participating agency and scheduled to work 20 or more hours a week at least six months of the year.
- (g) **“Full-Time Employee”** - An active Employee who has been placed in a permanent classification of Employees, employed by a participating unit and scheduled to work 20 or more hours a week at least six months of the year.
- (h) **“Injury”** - Bodily injury sustained accidentally by external means.
- (i) **“Legal Guardian”** - A person appointed by a court to be responsible for the personal affairs of a minor or protected person.
- (j) **“Occupational Disease”** - A disease for which a person is entitled to benefits under a Workers’ Compensation Law or similar law.

- (k) **“Occupational Injury”** - An injury which arises out of and in the course of employment for wage or profit. An injury will not be deemed occupational if such person is not eligible for Workers’ Compensation coverage when the injury occurs.
- (l) **“Qualified Domestic Relations Orders (QDRO)”** - A "qualified domestic relation order" is a domestic relations order (i.e. child support, alimony payments) that creates or recognizes the existence of an alternate payee's right to receive, or assigns to an alternate payee the right to receive, all or a portion of the benefits payable with respect to a participant under a retirement plan, and that includes certain information and meets certain other requirements.
- (m) **“Qualified Medical Child Support Order (QMCSO)”** - A qualified medical child support order is a court order used to enforce an order for a health plan participant to provide child support health benefits. It requires a health plan to include a child as covered under a health plan, even if the child(ren) or the participant do not meet the conditions of the health plan. A QMCSO is typically used to gain coverage for a child under a non-custodial parent's group health plan. It is normally obtained by a divorced or separated spouse or by a state child support or Medicaid agency. The order authorizes withholding the participant's share of the cost for coverage from their pay. They may not drop coverage for the child without proof that the QMCSO is no longer in effect.
- (n) **“Retired Employee”** – A former Employee who is covered under the health coverage plan provided under SDCL 3-12A on his or her date of retirement. The Retired Employee must also be entitled to immediate retirement benefits as a Class A or Class B member of the South Dakota Retirement System or the South Dakota Department of Labor Retirement Plan as outlined in SDCL 3-12-91, SDCL 3-12-92, and SDCL 61-2-15.
- (o) **“Spouse”** - An Employee’s husband or wife as the result of a marriage that is legally recognized in the state of South Dakota. The Spouse in a common-law marriage is not an Eligible Dependent.
- (p) **“Total Disability”** - means the Employee is permanently and continuously disabled by injury or disease to the extent the Employee cannot work for pay or profit and is not able to take part in any business or occupation.
- (q) **“Written Notice”** - A notice in writing on a form supplied by or which satisfies the Plan Administrator.