



Offered by Life Insurance Company of North America

LONG TERM DISABILITY INSURANCE

Summary of Benefits

Prepared For employees of: Stanley Black & Decker
Class 1

Eligibility:

All active, regular Full-time or Part-time exempt and non-exempt salaried and non-bargained hourly Employees scheduled to work 20 or more hours per week, excluding Employees who are eligible for the Management Executive Incentive Compensation Plan Levels 0 - 5.

Employee: You will be eligible for coverage the first of the month following date of hire.

Available Coverage:

	Gross Monthly Benefit	Maximum Gross Monthly Benefit	Benefit Waiting Period	Maximum Benefit Period
Employer Paid - Your Employer provides the following coverage at no cost to you.	40% of your monthly covered earnings	\$15,000	180 Days	Please refer to the "How Long Benefits Last" section below for more details.
Employee Paid - You have the option to elect this plan to enhance what your Employer provides.	67% of your monthly covered earnings	\$15,000	180 Days	Please refer to the "How Long Benefits Last" section below for more details.

Additional Features

Family Survivor Benefit – If you die while receiving benefits, we will pay a survivor benefit to your lawful spouse, eligible children, or estate. The plan will pay a single lump sum equal to 6 months of benefits.

Employee's Monthly Cost of Coverage:

Monthly Rate Per \$100 of Monthly Covered Earnings = \$0.398

Actual per pay period premiums may differ slightly due to rounding.

How to Calculate Your Monthly Cost:

- Step 1:** Divide your annual salary by 12 to calculate your monthly earnings.
- Step 2:** Find the above Monthly rate.
- Step 3:** Multiply this rate by your monthly earnings, or \$22,388, whichever is less.
- Step 4:** Divide the total by 100. The result is your Monthly cost.

Important Definitions and Policy Provisions:

Disability - "Disability" or "Disabled" means that, solely because of a covered injury or sickness, you are unable to perform the material duties of your regular occupation/regular job and you are unable to earn 80% or more of your indexed earnings from working in your regular occupation/regular job. After benefits have been payable for 24 months, you are considered disabled if solely due to your injury or sickness, you are unable to perform the material duties of any occupation for which you are (or may reasonably become) qualified by education, training or experience, and you are unable to earn 80% or more of your indexed earnings. We will require proof of earnings and continued disability.

Covered Earnings -Covered Earnings means Benefits Pay as defined below: Benefits Pay (BP) is a value that determines your long term disability benefits. For all Employees, this amount is calculated and frozen annually, in January, using base pay plus applicable commissions, lump sum merits, and/or bonuses paid or deferred during the prior calendar year. BP does not include special pay, awards or any miscellaneous one-time bonuses. If you become disabled, coverage will be based on the Benefits Pay in effect on your date of Disability. You must be in Active Service on January 1 to be eligible for a change in BP. For sales and hourly incentive-based associates, commissions and hourly incentive bonuses from the prior calendar year are included in your BP which will be recalculated each January. For new hires throughout the year, BP is your base pay until January 1 following your hire date when applicable commissions, lump sum merits and/or paid bonuses are used to recalculate BP, as long as you are in Active Service on January 1. For mid-year newly acquired employees, BP is your base pay until the January 1 following your benefits begin date, after which it is determined in one of two ways: 1. If the Employer issues your full annual W-2 including base pay and any bonuses and commissions paid the calendar year prior to commencing benefits, those earnings will be reported as your BP and will be recalculated each January, as long as you are in Active Service. 15 2. If the Employer does not issue your full annual W-2 for base pay, bonuses and commissions paid the calendar year prior to commencing benefits, only those earnings for which the Employer issues a W-2 will be reported as your BP. Your BP will be recalculated each January as long as you are in Active Service.

When Benefits Begin - You must be continuously Disabled for 180 Days before benefits will be paid for a covered Disability.

How Long Benefits Last - Once you qualify for benefits under this plan, you continue to receive them until the end of the benefit or until you no longer qualify for benefits, whichever occurs first. Should you remain Disabled, your benefits continue according to the later of your Social Security Normal Retirement Age, or the following schedule, depending on your age at the time you become Disabled.

Age at Disability	Age 62 or younger	63	64	65	66	67	68	69+
Duration of Payments (months)	To age 65 or the date the 42nd monthly benefit is payable, if later.	36	30	24	21	18	15	12

When Coverage Takes Effect - Your coverage takes effect on the later of the policy's effective date, the date you become eligible, the date we receive your completed enrollment form if required, or the date you authorize any necessary payroll deductions if applicable. If you're not actively at work on the date your coverage would otherwise take effect, your coverage will take effect on the date you return to work. If you have to submit proof of good health, your coverage takes effect on the date we agree, in writing, to cover you.

Benefit Reductions, Conditions, Limitations and Exclusions:

Effects of Other Income Benefits - This plan is structured to prevent your total benefits and post-disability earnings from equaling or exceeding pre-disability earnings. Therefore, we reduce this plan's benefits by an amount equal to any Social Security retirement and/or disability benefits payable to you, your dependents, or a qualified third party on behalf of you or your dependents. Your disability benefits will not be reduced by any Social Security disability benefits you are not receiving as long as you cooperate fully in efforts to obtain them and agree to repay any overpayment when and if you do receive them. Disability benefits will be reduced by amounts received through other government programs, sick pay, employer funded retirement benefits, workers' compensation, franchise/group insurance, auto no-fault, and damages for wage loss. For details, see your outline of coverage, policy certificate, or your employer's summary plan description.

Earnings While Disabled - During the first 24 months that benefits are payable, benefits will be reduced if benefits plus income from employment exceeds 100% of pre-disability Covered Earnings. After that, benefits will be reduced by 50% of earnings from employment.

Limited Benefit Period - Disabilities caused by or contributed to by any one or more of the following conditions are subject to a lifetime limit of 24 months for outpatient treatment: Anxiety-disorders, delusional (paranoid) or depressive disorders, eating disorders, mental illness, somatoform disorders (including psychosomatic illnesses), Alcoholism, drug addiction or abuse. Benefits are payable during periods of hospital confinement for these conditions for hospitalizations lasting more than 14 consecutive days that occur before the 24-month lifetime outpatient limit is exhausted.

Pre-existing Condition Limitation - Benefits are not payable for medical conditions for which you incurred expenses, took prescription drugs, received medical treatment, care or services (including diagnostic measures), or for which a reasonable person would have consulted a physician during the 12 months just prior to the most recent effective date of insurance. Benefits are not payable for any disability resulting from a pre-existing condition unless the disability occurs after a continuous period of 12 months without any medical treatment, care of services in connection with the pre-existing conditions, and you have been insured under this plan for at least 24 months after your most recent effective date of insurance.

Termination of Disability Benefits - Your benefits will terminate when your Disability ceases, when your benefit duration period is exceeded, you earn more than your allowable Covered Earnings, or the date benefits end because you did not comply with the terms and conditions of the policy.

Exclusions - This plan does not pay benefits for a Disability which results, directly or indirectly, from any of the following: • Suicide, attempted suicide, or intentionally self-inflicted injury while sane or insane. • war or any act of war, whether or not declared. • active participation in a riot; • commission of a felony; • the revocation, restriction or non-renewal of an Employee's license, permit or certification necessary to perform the duties of his or her occupation unless due solely to Injury or Sickness otherwise covered by the Policy.

In addition, the plan does not pay disability benefits any period of Disability during which you are incarcerated in a penal or corrections institution.

Terms and conditions of coverage for Long Term Disability insurance are set forth in Group Policy No. FLK 980076. This is not intended as a complete description of the insurance coverage offered. This is not a contract. Complete coverage details, including premiums, are contained in the Policy Certificate. If there are any differences between this summary and the group policy, the information in the group policy takes precedence. Product availability and/or features may vary by state.

Please keep this material as a reference. Insurance coverage is issued on group policy form number: Policy Form TL-004700. Coverage is underwritten by Life Insurance Company, 51 Madison Avenue New York, NY 10010.

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