One America Salary Definitions

COVERED WEEKLY EARNINGS means the amount of the Person's income, in US dollars, received from the Participating Unit that is insured by the policy. This amount will be the LESSER of:

1) the Basic Weekly Earnings, or

2) the Maximum Weekly Benefit divided by the benefit percentage shown on the Schedule of Benefits.

CURRENT WEEKLY INCOME means the income a Person receives while Disabled, plus the income the Person could receive if he were working to his Maximum Capacity

If a Person is employed in a second job, at the same time he is Actively At Work full-time for the Participating Unit, and becomes Disabled under the policy, the following will apply during the Elimination Period and while receiving Disability benefits under the policy:

1) Any income received from the second job will be considered Current Weekly Income only to the extent that it exceeds the average weekly income received from that job during the six-month period immediately prior to becoming Disabled.

2) If the Person has worked for the second employer less than six months, the income will be averaged for the total number of months he was employed.

BASIC WEEKLY EARNINGS For all other Employees: BASIC WEEKLY EARNINGS means the Person's gross weekly income in U.S. dollars before taxes, received from the Participating Unit, not to exceed a maximum workweek of forty (40) hours. Gross weekly income includes pretax contributions to an employer-sponsored defined contribution plan and a cafeteria plan, if any. These earnings are based on the amount as last reported to AUL in writing by the Participating Unit, for which premiums were paid and the coverage amount was approved by AUL in writing, before the date of Disability. Earnings do not include income received from commissions, bonuses, or expense accounts.

SOLE PROPRIETOR EARNINGS For Sole Proprietor Owners: BASIC WEEKLY EARNINGS means the weekly average of the Person's annual net profit in U.S. dollars for the LESSER of: 1) the three (3) most recent years; or 2) the period that the employee has been a sole proprietor.

Earnings are based upon the number taken from Schedule C of Federal IRS Form 1040 for the weekly average of three (3) business years immediately prior to reporting. The reported earnings should be adjusted annually following completion of the appropriate tax form, a copy of which should be submitted to AUL. AUL will use the net profit amount last reported in writing, for which premiums were paid and the coverage amount was approved by AUL in writing before the Person’s date of Disability

PARTNERSHIP EARNINGS WITH SCHEDULE K-1 For Partners

BASIC WEEKLY EARNINGS means the Person's gross weekly income in U.S. dollars before taxes, received from the Participating Unit, not to exceed a maximum workweek of forty (40) hours including Partnership earnings. These earnings are based on the amount as last reported to AUL in writing by the Participating Unit for which premiums were paid and the coverage amount was approved by AUL in writing before the date of Disability. Earnings do not include income received from commissions, bonuses, expense accounts, or any other compensation not lost due to Disability.

Partnership earnings will be the weekly average of the amount shown as "net earnings (loss) from self-employment" from Schedule K-1 of the partnership Federal income tax return for the LESSER of:

1) the three (3) most recent years; or

2) the total number of weeks the Person was a partner, if the Person was not a partner for the entire three (3) years.

The last reported earnings should be adjusted annually upon completion of the tax form, a copy of which should be submitted to AUL. AUL will use the earnings amount last reported and approved by AUL in writing before the Person's date of Disability.

SHAREHOLDER EARNINGS For sub-chapter S corporation shareholders:

BASIC WEEKLY EARNINGS means the Person's gross weekly income in U.S. dollars before taxes, received from the Participating Unit, not to exceed a maximum workweek of forty (40) hours including shareholder earnings. Gross weekly income is based on the amount as last reported to AUL in writing, for which premiums were paid by the Participating Unit and the coverage amount was approved by AUL in writing before the date of Disability. Earnings do not include income received from commissions, bonuses, or expense accounts.

Shareholder earnings are earnings reported as ordinary income (loss) for trade or business activities on the Sub S Corporation's Federal IRS Tax Form 1120S averaged for the LESSER of: 1) the three (3) most recent years; or 2) the period that the Person has been a shareholder. The reported earnings should be adjusted annually upon completion of the appropriate tax form, a copy of which should be submitted to AUL. AUL will use the earnings amount last reported in writing, for which premiums were paid and the coverage amount was approved by AUL in writing before the Person's date of Disability.