



Notice to Employees on a Personal Leave of Absence Regarding Benefits

This notice contains information to help you understand the impact of a Personal Leave of Absence on Benefits. Although the information in this notice is fairly comprehensive, only those programs you currently participate in are applicable to you. If you have questions or need assistance, contact the Employee Resource Center at 1-408-536-4357 and choose the People Resources option.

This notice contains information about the following Benefits Programs:

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Health Care Benefits

Medical, Dental, Prescription Drug, Vision Insurance and Employee Assistance Plan

If currently enrolled, your benefits and the benefits of any currently enrolled dependents will continue for the first 30 days of your personal leave and first 30 days is paid by Adobe. Coverage will terminate 30 days from the start of your personal leave. If you wish to continue coverage for you and your currently enrolled dependents thereafter you must elect and pay for these benefits through COBRA (Consolidated Omnibus Budget Reconciliation Act of 1986). In order to continue your coverage through COBRA, you must submit the required forms that you will receive from Adobe's COBRA Administrator, TRI-AD. ***On-line re-enrollment is also available and instructions will be included in the packet you receive from TRI-AD.*** If enrolling in COBRA, keep in mind that you may drop a coverage election that you no longer need or want to participate in. However, once coverage is dropped you cannot re-enroll until the next open enrollment period. You may change your COBRA elections within 31 days if you have a qualified status change by contacting TRI-AD immediately.

Once you return to work, you must re-enroll in Adobe's health care benefits and cancel COBRA with TRI-AD if you elected it.

Employee Paid COBRA

You will receive notification from TRI-AD including an election form, within three weeks from your benefits termination date. If you elect to continue your benefits through COBRA or if you have any questions, please contact TRI-AD:

TRI-AD
PO BOX 2059
Att: COBRA Unit
Escondido, CA 92033
1-888-844-1372
www.TRI-AD.com/COBRA

You will be billed by TRI-AD and you are responsible for paying the premiums in a timely manner. You have 60 days from your benefits termination date to elect COBRA and your initial premium payment is due by the 45th day following the date you elect coverage. The initial premium payment must include the premiums for coverage from the date group coverage ended through the end of the month in which

the 45-day period ends. If the initial payment is not postmarked on time, you are no longer eligible for COBRA and your coverage ends on the date of the qualifying event. Please remit your payments as directed to the address provided in your enrollment packet in a timely manner.

HIPAA Certificate

In accordance with the Health Insurance Portability and Accountability Act (HIPAA) of 1996, Adobe's medical plan providers will mail to you a HIPAA Certificate as proof of your coverage under an Adobe sponsored health care plan. Your HIPAA Certificate will enable your new medical plan to waive or reduce the pre-existing limitations, if any. This certificate will be mailed to your home address within 30-45 days following your benefits termination date. If you need assistance, contact your Adobe medical plan provider directly.

Life and Disability Benefits

Term Life Insurance

The first 90 days of your leave you remain covered under the Adobe term life insurance plan at no cost to you; including coverage for your dependents if currently enrolled. If you wish to continue your coverage thereafter you must elect and pay for these benefits through the Liberty Mutual. You may continue your life insurance coverage for you and your currently enrolled dependents beyond the benefits termination date. You have 31 days from your policy termination date to port or convert your life insurance to an individual plan. Please note some states may have specific portability and conversion rules. For information regarding your portability and conversion rights, please contact Liberty Mutual at 1888-787-2129. Coverage will terminate 90 days from the start of your personal leave.

If you port or convert your life insurance policy while on personal leave, once you return to work, you must cancel your policy with Liberty Mutual. If you do not port or convert your dependent life insurance while out on leave, you may not be able to return the same level of coverage. Your dependent life will be the highest amount without an Evidence of Insurability (EOI). Employees do not need to port or convert to an individual policy in order to return to the same level.

Accidental Death & Dismemberment (AD&D)

The first 90 days you remain covered under the Adobe plan at no cost to you. Your Accidental Death and Dismemberment insurance benefit cannot be converted to an individual plan. Coverage will terminate 90 days from the start of your personal leave.

Short Term Disability (STD)

The first 30 days of your leave you remain covered under the Adobe plan at no cost to you. Coverage will terminate 30 days from the start of your personal leave. There is no conversion option for Short-Term Disability.

Long-Term Disability (LTD)

The first 30 days of your leave you remain covered under the Adobe plan at no cost to you. Coverage will terminate 30 days from the start of your personal leave. You cannot convert your Long-Term Disability.

Flexible Spending Accounts (FSAs)

Dependent Care Flexible Spending Account (FSA)

Pre-tax contributions, if any, are suspended when you no longer receive an Adobe paycheck. After 30 days, coverage will terminate. You cannot continue participation in the Dependent Care FSA under COBRA. The Adobe Dependent Care FSA Gift is forfeited for the leave period. You can still file claims with TRI-AD for reimbursement of any dependent care expenses incurred during the same calendar year, up to the balance of your Dependent Care FSA at the time of your benefits termination. You cannot continue participation in the Dependent Care FSA under COBRA.

Health Care Flexible Spending Account (FSA)

Pre-tax contributions, if any, are suspended when you no longer receive an Adobe paycheck. After 30 days, coverage will terminate. You are eligible for reimbursement of any eligible health care expenses incurred before your benefits termination, up to the amount you have elected to deposit for the year into your Health Care FSA less prior reimbursements.

You have the option to continue participation in the Health Care FSA on an after-tax basis through COBRA. Participants will receive notification from TRI-AD including an election form, within three weeks from the benefits termination date. COBRA premiums include a 2% fee to cover the administrative expenses incurred in providing the plan. You may continue making payments into your Health Care FSA and you may claim eligible expenses through the COBRA plan for the remainder of the plan year in which you became effective or until you stop paying your after tax premium, whichever is sooner. COBRA continuation is the only way you can continue to receive reimbursement from your account for expenses incurred during the plan year, but after your benefits termination.

Participants may submit eligible claims for reimbursement from either the Dependent Care FSA or Health Care FSA accounts until May 31 of the following year for claims incurred during your period of active participation in the prior plan year. If you do not claim your entire balance by May 31 of the following year, you will lose it. Visit www.tri-ad.com/fsa to check your current account balance and contact TRI-AD with any claim questions at 1-888-844-1372.

Time Off Benefits

Sick Time (exempt) accrual will stop on your last Adobe paycheck and resume when you return from leave.

Time Off (exempt) is not an accrued benefit. Discuss your time off needs with your manager when you return to work.

PTO (non-exempt) will accrue for the first 30 days of the leave and then stops until you return to work. You can use the PTO Cash Out Program at any time during your leave.

Holiday Pay

Holidays are not paid during the leave period.

Sabbatical

Your sabbatical eligibility date will be adjusted by the length of your leave that extends beyond 30 calendar days.

Equity Plans

Information included is for general purposes only, please refer to the applicable equity plan(s) and award agreement(s) for specific information regarding equity awards, and the enrollment/change form and plan document for specific information regarding the ESPP.

Employee Stock Purchase Plan (ESPP)

If participating, deductions will stop once you are no longer receiving an Adobe paycheck and will resume upon your return to Adobe payroll. You can adjust your contribution amount at any time. If a purchase period occurs during your leave, the amount in your account at that time will be used to purchase stock on the purchase date. Please be aware that if your Personal Leave is longer than three months and you participate in the ESPP, on the 91st day of your leave, your participation in the ESPP will terminate. You will be withdrawn from the plan. You would again become eligible to participate in the ESPP if you return to active employment and otherwise satisfy the ESPP eligibility requirements.

Restricted Stock Units (RSUs)

If you have been granted RSUs, vesting will not be affected.

Incentive Stock Options (ISOs)

Please be aware that if your Personal Leave is longer than three months and you hold incentive stock options (ISOs), your ISOs may either cease to qualify as ISOs or may terminate entirely six months and one day after your Personal Leave commences. We urge you to review the terms of your ISO agreement and the applicable equity plan document to understand how your specific ISO will be affected by a Personal Leave longer than three months. Contact the Equity Department with any questions at equity@adobe.com.

401(k) Retirement Savings Plans

Payroll contributions and loan payments, if any, will cease once you are no longer receiving an Adobe paycheck and will resume upon your return to Adobe payroll. You can change your deferral percent at any time. You must contact the 401(k) Plan Administrator to make loan payment arrangements. If your leave of absence exceeds 12 months, your service date for vesting purposes may be adjusted.

Bonus Plans and Check In's and Pay Increases

AIP

If eligible to receive an AIP bonus, the bonus is prorated based on time actually worked during the eligibility period. Refer to the Annual Incentive Plan summary and discuss any questions with your manager.

Check In's and Pay Increases

Check in's will not occur while you are out. However, you should resume the check in's once you are released back to work. Any pay increases will be evaluated at the same time as everyone else and will be based on the work you accomplished during the period you worked. Any increase to your salary will not take effect until you are back on Adobe Payroll.

Commission Plan

You will receive commissions and/or quota credit to the extent earned in accordance with the terms of your Sales Compensation Plan.

Deferred Compensation Plan (DCP)

You continue to be eligible for the DCP, but are excused from fulfilling your annual deferral amount to the extent compensation ceases or is reduced during your leave. If your leave results in a "separation of service" due to a reduction in your service level, your DCP account balance will be paid out to you in accordance with plan rules. Note that these are general statements regarding the effects of a leave on DCP participation, and you are advised to contact Vanguard for additional detail at the start of your leave.

Education Benefits

529 College Savings Plan

It is your responsibility to submit contributions directly to Alliance Bernstein once you are no longer receiving an Adobe paycheck if you contributing to this plan. Contact Alliance Bernstein for additional details at 1-800-251-0539.

Educational Reimbursement

You are eligible to complete course(s) in progress before your leave began; otherwise, your eligibility is suspended until you return to work.

Voluntary Benefit Plans

Group Legal Plan

The first 30 days of your leave you remain covered under the group legal plan if currently enrolled. You have 30 days to convert your group legal plan to an individual plan. The premiums will likely be higher and the benefits will likely be lower under an individual plan. Call Hyatt Legal at 1-800-821-6400 to request a conversion kit. A completed application along with the first month's premium must be received by Hyatt Legal within 30 days of your benefits termination date.

Long Term Care (LTC) Insurance

You must contact CNA directly within 30 days of your leave to discuss converting to an individual plan and coordinate premium payment as applicable. If you are enrolled in the LTC Plan and coverage lapses due to non-payment of any premium, you will need to provide evidence of insurability upon your return to work to reinstate any coverage. Call CNA's Customer Service Department at 1-877-777-9072 to request a conversion kit be mailed to you. At the time you convert your coverage you will have the option to pay on a monthly basis using automatic checking account withdrawals or change to a quarterly, semi-annual or annual payment plan but your premium rate will not be affected.

Home and Auto Insurance

You must contact the insurance carrier directly to discuss converting to an individual plan as applicable. Please refer to your policy if you need to reach Member Services.

Other Benefits

Adoption Assistance Program

You will be eligible for reimbursement only for adoption expenses incurred before the onset of your leave, but not subsequent expenses, until you return from your leave.

Transportation Assistance

It is your responsibility to cancel any transportation subsidy while you are on leave.

Other Programs

You may be eligible to participate within program guidelines. This includes Employee Purchase, Wellness Incentive Dollars, Matching Gift, and Patent Award Programs.

Questions?

If you have questions on any of the information outlined in this notice please call **1-408-536-4357** and follow the prompts for **People Resources** or **Payroll**. You may also email Payroll at uspayroll@adobe.com.

Address Changes

Address changes should be kept current. Please furnish address changes to the Employee Resource Center at erc@adobe.com or 1-408-536-4357, People Resources option, so Adobe can continue to mail important benefit and tax information to you.

Adobe Systems Incorporated reserves the right to terminate, suspend, withdraw, amend or modify the plans, in writing, in whole or in part, at any time. In the case of any discrepancy between this document and official plan documents, the official Plan Documents will prevail.