

# Long Term Disability



## MetLife®

### Flex RN, Co Plan Benefits

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Original Plan Effective Date: January 15, 2007

Amendment Effective Date\*: June 01, 2008

Date Prepared: October 19, 2012

*Explore the coverage that helps you protect your income and your lifestyle.*

#### **What is Long Term Disability Insurance?**

Long-Term Disability (LTD) insurance can help replace a portion of your income if you are unable to work for an extended period of time due to a sickness or accidental injury. It helps to provide the day to day peace of mind that comes from knowing that, during the time you would be recovering from a significant event in your life, you may not have to shoulder the additional burden of wondering how you're going to pay for the things that would still have to be paid for.

#### **Why Should I Consider LTD Insurance?**

You may have already purchased home, auto and life insurance to protect yourself against the threat of loss. And, you may already have health insurance to protect you against the cost of medical bills. But, have you protected one of your most valuable assets - your ability to work and earn a living?

*Nobody ever thinks it will happen to them, but unfortunately, it can.* The car accident, the illness, the slip on an icy sidewalk, the fall down steps or off a bike. And, sometimes these events can deprive you of one of your most important and valuable assets your ability to earn an income. A disability absence from work can potentially last for several years. That's a long time to survive without a steady income. While some people may be able to survive without working for a few months by tapping into their savings, what happens after that? Would you be able to meet your financial obligations if you became disabled and were unable to work for an extended period? Recent statistics have shown:

- 53% of employees are very concerned about having enough money to make ends meet.<sup>1</sup>
- Over the typical working years, there is an approximately 1 in 4 chance of being disabled for today's 20 year olds.<sup>2</sup>

Your employer recognizes the need for you to protect your ability to earn an income and is offering you the opportunity to enroll in Long Term Disability insurance coverage from MetLife. The plan is being made available to you with the convenience of payroll deduction so you don't have to worry about mailing monthly payments.

#### **Eligibility Requirements**

All active full time employees working at least 30 hours per week are eligible to participate.

#### **How is "Disability" Defined Under The Plan...**

Generally, you are considered disabled and eligible for long term benefits if, due to sickness, pregnancy or accidental injury, you are receiving appropriate care and treatment and are complying with the requirements of the treatment and you are unable to earn more than 80 % of your predisability earnings at your own occupation for any employer in your Local economy.

Following the Own Occupation period for LTD, you are considered disabled if, due to sickness, pregnancy or accidental injury, you are receiving appropriate care and treatment and complying with the requirements of the treatment and you are unable to earn 80 % of your predisability earnings at any gainful occupation for which you are reasonably qualified taking into account your

training, education and experience.

For a complete description of this and other requirements that must be met, refer to the Certificate of Insurance/Summary Plan Description provided by your Employer.

**What is the Benefit Amount?**

If you enroll for coverage during your group's initial open enrollment period, you select the amount of monthly benefit that is right for you. The benefit amount is 60% of your predisability earnings up to a maximum of \$6,000 .

**If I do not enroll during my group's initial open enrollment period can I still purchase coverage at a later date?**

Yes, employees who do not elect coverage during the initial 31-day open enrollment period may still elect coverage at future enrollments. You may be required to submit a Statement of Health or meet certain pre-existing condition limitations.

**When do benefits begin and how long do they continue?**

Benefits begin after the end of the elimination period. The elimination period begins on the day you become disabled and is the length of time you must wait, while disabled, before you are eligible to receive a benefit. The elimination period is 90 days of disability.

Your plan's maximum benefit period and any specific limitations are described in the Certificate of Insurance/Summary Plan Description provided by your Employer.

**Additional Disability Plan Benefits:**

**Coverage with Your Best Interests in Mind...**

When you are ill or injured for a long time, MetLife believes you need more than a supplement to your income. That's why we offer return-to-work services, financial incentives and assistance in obtaining Social Security Disability Benefits to help you get the maximum benefits from your coverage.

**Services to Help You Get Back to Work Can Include:**

**Vocational Analysis:**

Help with identifying job requirements and determining how your skills can be applied to a new or modified job with your employer.

**Job Modifications/Accommodations:**

Adjustments (e.g., redesign of work station tools) that enable you to return to your previous job or a similar one.

**Retraining:**

Development programs to help you return to your previous job or educate you for a new one.

**Financial Incentives:**

Allow employees to receive disability benefits or partial benefits while attempting to return to work.

**The Services of Social Security Specialists:**

Once you are approved for Disability benefits, MetLife can help obtain Social Security Disability benefits. Our specialists may guide you through the initial application and appeals processes and may help you access assistance from attorneys or vendors to pursue Social Security Disability benefits.

**What is the Monthly premium?**

1. To determine your premium, refer to the chart below that shows the rates for all ages per \$100 of covered salary.
2. Select the age banded rate that applies to you.

Premium Rates for LTD	
Monthly Benefit	Employee's Age

	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 +
<b>60%</b>	0.68	0.63	0.88	2.1	2.1	2.58	2.85	2.85

3. Complete the following premium calculation sheet.

<b>Monthly Premium Calculation Worksheet</b>		
<b>A. Annual Earnings =</b> <i>Please Note:</i> If your annual earnings exceed \$120,000, the premium is based on \$120,000, due to the maximum benefit cap. Use \$120,000 in this calculation.		\$
<b>B. Monthly Earnings =</b> A divided by 12		\$
<b>C. Your Monthly Earnings divided by 100 =</b> B divided by 100		\$
<b>D. Estimated Monthly Premium you will pay =</b> C multiplied by the applicable age-banded rate		\$

Premiums are based on your current age as of the effective date of coverage. At each policy anniversary, future costs will change as your age increases. Due to rounding, your actual payroll deducted premium amount may vary slightly.

**Answers to Some Important Questions...**

**Q. Are my benefits taxable?**

**A.** If you pay your premiums with after tax-dollars, your benefit in the event of disability would be tax free. Taxation of benefits can occur if all or a portion of the benefit is paid for with pre-tax contributions.<sup>3</sup>

**Q. Can I return to work part-time and still receive a benefit ?**

**A.** Yes. As long as you are disabled and meet the terms of your disability plan, you may qualify for adjusted disability benefits.

Your plan offers financial and Rehabilitation incentives designed to help you to return to work when appropriate, even on a part-time basis when you participate in an approved Rehabilitation program.

While disabled, you may receive up to 100% of your predisability earnings when combining benefits, Rehabilitation Incentives, other income sources such as Social Security Disability Benefits and state disability benefits, and part-time earnings.

You may be eligible for the Moving Expense Incentive if you incur expenses in order to move to a new residence recommended as part of the Rehabilitation Program. Expenses must be approved in advance.

With the Rehabilitation Incentive you can get a 10% increase in your monthly benefit.

The Family Care Incentive provides reimbursement up to \$400 per month for eligible expenses, such as child care, during the first 24 months of Disability.

**Q. Are there any limitations for pre-existing conditions?**

**A.** Yes. Your plan may not cover a sickness or accidental injury that arose in the months prior to your participation in the plan. A complete description of the pre-existing condition exclusion is included in the Certificate of Insurance/Summary Plan Description provided by your Employer.

**Q. Can my benefits be reduced?**

**A.** Yes. Your monthly LTD benefit will be reduced by other income you receive or are eligible to receive, such as:

- Workers Compensation benefits
- Social Security Disability or Retirement benefits
- State or public employee retirement or disability plan benefits
- Third Party Liability payments (minus attorney fees)
- Sick Leave
- Salary Continuation, Personal Time Off and Annual Leave pay
- Return to work earnings as outlined in your certificate

If the total of the other income you receive or are eligible to receive exceeds your LTD monthly benefits, you may still be eligible for a minimum benefit of \$100 . Please review your Certificate of Insurance/Summary Plan Description for specific details or contact your benefits administrator with any questions.

**Q. Are there any exclusions to my coverage?**

**A.** Yes. No payment will be made for any disability caused or contributed to by:

- War, whether declared or undeclared, or act of war, insurrection, rebellion or terrorist act;
- Active participation in a riot;
- Intentionally self-inflicted injury or attempted suicide;
- Commission of or attempt to commit a felony.

**Q. Are there any limitations to my coverage?**

**A.** For Long Term Disability, limited benefits apply for specific conditions:

If you are disabled due to alcohol, drug or substance abuse or addiction, we will limit your Disability benefits to one period of Disability during your lifetime for a maximum of 24 months. During Your Disability, we require you to participate in an alcohol, drug or substance abuse or addiction recovery program recommended by a physician.

Benefits will end at the earliest of

- The date you receive 24 months of disability benefit payments;
- The date you cease or refuse to participate in the recovery program referred above; or
- The date you complete such recovery program.

If you are disabled due to mental or nervous disorders or diseases, neuromuscular, musculoskeletal or soft tissue disorder, chronic fatigue syndrome and related conditions, we will limit your Disability benefits to a lifetime maximum equal to the lesser of:

- 24 months; or
- The Maximum Benefit Period.

Your Disability benefits will be limited as stated above for mental or nervous disorder or disease except for:

- schizophrenia;
- dementia; or
- organic brain disease.

Other limitations or exclusions to your coverage may apply. Please review your Certificate of Insurance/Summary Plan Description provided by your Employer for specific details or contact your benefits administrator with any questions.

1 9<sup>th</sup> Annual Employee Benefits Trends Study, 2011

2 Social Security Basic Facts, May 2011.

3 Pursuant to IRS Circular 230, MetLife is providing you with the following notification: The information contained in this document is not intended to (and cannot) be used by anyone to avoid IRS penalties. This document supports the promotion and marketing of insurance products. You should seek advice based on your particular circumstances from an independent tax advisor.

## **Flex RN, Co** Plan Benefits

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The "Plan Benefits" provides only a brief overview of the LTD plan. A more complete description of the benefits provisions, conditions, limitations, and exclusions will be included in the Certificate of Insurance/Summary Plan Description. If any discrepancies exist between this information and the legal plan documents, the legal plan documents will govern.

Like most group insurance policies, MetLife group policies contain certain exclusions, elimination periods, reductions, limitations and terms for keeping them in force. State variations may apply.

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\* Changes have been made to your Plan as of the Amendment Effective Date listed above. Please refer to your Certificate of Insurance/Certificate Rider for more details or contact your benefits administrator with any questions.