

Long-Term Disability Plan

Plan Highlights

- LTD Income Benefit - 50%
- Maximum Benefit - \$3,000
- Elimination Period - 90 days
- Maximum Benefit Period - to age 65
- Employee Paid - Tax-Free Benefit

The Standard's Long-Term Disability plan benefits provide a source of income while you concentrate on getting better.



TheStandard™

Voluntary Long Term Disability, underwritten by The Standard Insurance Company, offers disability income protection to employees unable to perform all of the material duties of their occupation on a full-time basis due to sickness or injury.

Long Term Disability coverage is needed by employees as a replacement for lost income should they become sick or injured. Under the Standard Long Term Disability Plan, a monthly benefit is paid directly to an employee to help with ongoing personal expenses.

Elimination Period

Elimination Period is the number of continuous days (90 days) you must be totally disabled before benefit payments start. The Elimination Period is waived on Recurrent Disabilities. You can return to your regular occupation for up to six months without having to satisfy a new Elimination Period if there is a recurrence of the prior disability.

Maximum Benefit Period

To age 65 - the longest period of time that benefits will continue to be paid to the disabled employee as long as he/she remains disabled in accordance with the contract. **The benefit period starts reducing depending on the age at the onset of the disability.**

Maximum Monthly Benefit

50% of salary - is the highest monthly benefit the disabled employee can receive up to a maximum of \$3,000.00.

Monthly Rate

The following Voluntary Long Term Disability rate is for full-time employees who are working a minimum of 30 hours per week and who are not qualified to receive disability benefits under the North Carolina Local Governmental Employee's Retirement System: **rates are per \$100.00 of covered monthly salary, excluding bonuses and overtime pay. Please see chart at the end of this section for rates corresponding to your age bracket.**

Pre-Existing Condition Exclusion

A **3/12 pre-existing condition limitation** applies to all insurance amounts. Pre-existing condition means any sickness or injury for which an employee has received medical treatment, consultation, care or services (including diagnostic measures or the taking of prescribed drugs or medicines) **during the 90 days prior to the insured employee's coverage effective date.** A disability arising from any such sickness or injury will be covered only if it begins after an employee **has performed his/her regular occupation on a full-time basis for 12 months following the coverage effective date.**

Partial Disability Benefit

Benefits are payable when an insured is unable to perform one or more of his/her main duties at his/her own or any other occupation, or is unable to perform those duties on a full-time basis.

To qualify for the benefit, an insured must be earning less than 80% of his/her pre-disability income. An 85% earnings test will be applied after the first two years of partial disability, unless total earnings reaches 100% of pre-disability income.

Benefit payments are reduced by partial employment earnings and other income sources and end on the earliest of:

- the date the insured ceases to be partially disabled;
- the date the insured's current earnings exceed 85% of his/her pre-disability income; or
- the date the maximum benefit period ends.

Survivors Benefit

Pays a lump sum benefit equal to 3 times the insured's last gross monthly LTD benefit to the surviving spouse or children of the insured. The insured must have been disabled for a minimum of 180 days and have been receiving benefits under the policy when death occurs.

Waiver of Premium

Premiums due during an insured's total or partial disability period are waived after benefits become payable and as long as the payments continue.

Recurrent Disability Provision

An insured can return to his/her regular occupation for up to six months without having to satisfy a new elimination period if there is a recurrence of the prior disability. However, if an insured returns to his/her regular occupation on a full-time basis for six months or more, a recurrent disability will be treated as a new period of disability, and the insured employee must complete another elimination period.

Pregnancy

Pregnancy is treated as an illness. The definition of disability must be satisfied and the elimination period completed before benefits would begin.

Mental Disorders and Substance Abuse

Disability resulting from a mental disorder or substance abuse (such as alcoholism or drug addiction) will be covered up to 24 months of benefit payments unless the employee is hospitalized at the end of 24 months. In that case, benefits will continue for as long as the employee is confined to a hospital up to the specified maximum benefit duration.

Benefit Integration*

Voluntary Long Term Disability benefits are reduced by any other income the insured is eligible for under:

- Primary and Family Social Security Disability or Retirement or any similar plan or act;
- Worker's Compensation Law, occupational disease law or any similar law;
- State Disability Plans or any compulsory benefit act or law;
- Other group disability plans;
- Disability or retirement benefits through the employer; and
- Any form of employment (full or part-time).

****The minimum benefit payable will never be less than \$100.00.***

Exclusions

The Standard Insurance Company does not pay Long Term Disability benefits for any period of disability:

- Which is the result of self-inflicted injury or attempted suicide;
- Due to a pre-existing condition (see *Pre-Existing Condition Exclusions*);
- Due to violent or criminal conduct;
- Due to war, declared or undeclared, or any act of armed aggression

When a disability is due to mental illness, Standard's contract considers benefits payable for up to a maximum period of 24 months. However, if the insured employee is confined to a hospital at the end of the 24-month period, benefits will continue up to the specified maximum benefit duration.

Long term disability coverage is needed by employees as a replacement for lost income should they become sick or injured. A monthly benefit is paid directly to them to help with ongoing personal expenses.

This plan is insured by The Standard Insurance Company. This is not a contract. This brochure briefly summarizes the insurance coverages described. Controlling provisions are in the related policies, which are not modified by this brochure. State requirements may necessitate variances.

**If you have any questions, please call The Standard
at 800-368-1135.**

Your monthly premium is calculated as follows:

Enter your annual earnings.	\$ _____
Divide by 10.	/ 10
Enter your result. (Tenthly Income)	\$ _____
Divide by 100.	/ 100
Enter your result.	\$ _____
Enter premium rate based on your age and multiply.	x _____
Enter your result. (Tenthly Premium)	\$ _____

Age	Rate per Hundred
<29	0.150
30-34	0.159
35-39	0.181
40-44	0.251
45-49	0.359
50-54	0.525
55-59	0.679
60-64	0.711
65-69	0.749
70-74	0.856
75+	1.119