

# Long Term Disability Insurance

County of Sonoma

Answers To Your Questions About Coverage From Standard Insurance Company



Standard Insurance Company  
Group Long Term Disability Insurance





## About This Booklet

This brochure is designed to answer some commonly asked questions about the County of Sonoma's Group Long Term Disability (LTD) insurance program. It is not intended to provide a detailed description of the coverage. **Please refer to the certificate of insurance for a detailed description of the insurance coverage including the definitions, exclusions, limitations, restrictions and terminating events.** In the event of any discrepancy between this brochure and the certificate of insurance, the terms of the certificate of insurance apply.

## Group Long Term Disability Insurance Benefits

Long Term Disability (LTD) insurance pays a monthly benefit in the event you cannot work because of a covered illness or injury. LTD benefits are intended to provide funds directly to you to help you pay your monthly bills and living expenses.

### Who is Eligible for Coverage?

Employees covered under this plan must meet all of the following criteria:

- A benefit eligible employee of the County of Sonoma (other than an employee of the Superior Court of California or an employee represented by the excluded bargaining units outlined below) and some of its affiliates;
- A benefit eligible employee is a permanent employee who has minimum of 16 allocated work hours per week; and
- A citizen or resident of the United States or Canada.

Eligible members do not include temporary or seasonal employees, full-time members of the armed forces of any country, leased employees, or independent contractors.

The excluded bargaining units are as follows:

- Unit 30 – Corrections and Probation Non-Supervisory
- Unit 40 – Law Enforcement Non-Supervisory
- Unit 41 – Law Enforcement Supervisory
- Unit 43 – Deputy Sheriff’s Law Enforcement Management
- Unit 44 – Sonoma County Law Enforcement Management Association (SCLEMA)
- Unit 46 – Deputy Sheriff Non-Supervisory
- Unit 47 – Deputy Sheriff Supervisory
- Unit 70 – Corrections and Probation Supervisory

### When does My Insurance Coverage with Standard Insurance Company Become Effective?

Your coverage becomes effective on the first day of the calendar month following your employment date or permanent status appointment.

If you are absent from work because of Physical Disease, Injury, Pregnancy or Mental Disorder on the day before your coverage is to become effective, your coverage will become effective on the day after you have returned to active work for one full day.



## How is the LTD Benefit Calculated?

Your monthly LTD benefit is determined by multiplying your insured predisability earnings by 66 2/3%. This amount is then reduced by other sources of income you receive or are entitled to receive while LTD benefits are payable. This other income is referred to as deductible income.

The maximum monthly benefit is \$10,000 before reduction by deductible income; the minimum monthly benefit is \$100.

In the example below, the LTD benefit amount is 66 2/3% of insured predisability earnings. If your monthly predisability earnings were \$3,000 and you now receive a monthly Social Security disability benefit of \$600, your monthly LTD benefit would be calculated as follows:

Insured predisability earnings . . . . .	\$3,000
LTD benefit percentage . . . . .	x 66 <sup>2</sup> / <sub>3</sub> %
	\$2,000
Less Social Security disability benefit . . . . .	- 600
Amount of LTD benefit . . . . .	\$ 1,400

## Are the Benefits I Receive Taxable?

Because the County of Sonoma pays for the entire cost of the LTD program, the benefits are taxable. The LTD benefit paid to you is 100% taxable and will be reported to the IRS and to the State. However, there are some exceptions to this rule. If you want taxes withheld from your benefit, you must complete and return a W-4 form to The Standard.

## What are Predisability Earnings?

Predisability earnings mean your monthly rate of basic earnings including cash allowances in effect on your last full day of active work before you become disabled.

## What is Deductible Income?

Deductible income is income you receive while LTD benefits are payable. It includes but is not limited to the following:

- Sick pay, vacation pay, compensatory time pay, annual or personal leave pay, severance pay, or other salary continuation, including donated amounts, paid to you by your Employer
- Benefits you receive or are entitled to receive under any workers' compensation law (other than California Workers' Compensation benefits for permanent total and permanent partial disability) or any similar law
- Amounts under unemployment compensation law
- Social Security retirement benefits, including benefits for your spouse and children
- Social Security disability benefits, including benefits for your spouse and children, that you receive or are entitled to receive
- Disability benefits from any other group insurance that exceed 80 percent of your indexed predisability earnings when added to your LTD benefit



- Any retirement benefits received from your employer's retirement plan (including PERS, STRS and a plan arranged and maintained by a union or employee association for the benefit of its members)
- Any disability benefits received or disability benefits you are entitled to receive from your employer's retirement plan (including PERS, STRS and a plan arranged and maintained by a union or employee association for the benefit of its members)
- Benefits you receive or are entitled to receive under any state disability income benefit law or similar law
- Earnings from work activity while disabled
- Earnings or compensation included in your predisability earnings which you receive or have a right to receive while LTD benefits are payable
- Amounts due from or on behalf of a third party because of your disability, whether by judgment, settlement or other method (less attorney's fees)
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above

### **How Long after I Became Disabled Would I Receive Benefits?**

If your claim for Long Term Disability benefits is approved by The Standard, benefits become payable after you have been continuously disabled for the longer of 60 days or the period you elect to receive any pay under salary continuation from the County and remain continuously disabled. This period is referred to as the benefit waiting period. Benefits are not payable during the benefit waiting period.



## What is a Disability?

**Own Occupation Period:** During the benefit waiting period and the 24-month own occupation period, you are considered disabled if, as a result of physical disease, injury, pregnancy or mental disorder:

- You are unable to perform with reasonable continuity the substantial and material acts of your own occupation and you are not working in your own occupation, or
- You are working in your own occupation but as a result of physical disease, injury, pregnancy or mental disorder you are unable to earn 80 percent of your predisability earnings.

**Own Occupation** may be interpreted to mean the employment, business, trade or profession that involves the substantial and material acts of the occupation you are regularly performing for your employer when disability begins. Own Occupation is not necessarily limited to the specific job you perform for your employer.

You are not disabled merely because your right to perform your own occupation is restricted, including a restriction or loss of license.

**Any Occupation Period:** After the 24-month own occupation period, you are considered disabled if, as a result of physical disease, injury, pregnancy or mental disorder:

- You are unable to engage with reasonable continuity in any occupation, or
- You are working in an occupation but are unable to engage with reasonable continuity in that occupation or any occupation.

**Any Occupation** means all occupations or employment which you could reasonably be expected to perform satisfactorily in light of your age, education, training, experience, station in life, and physical and mental capacity and within an appropriate distance from your residence or available in your regional labor market.

## What is the Maximum Benefit Period?

As long as you remain disabled, LTD benefit payments will continue according to the following schedule:

Age	Maximum Benefit Period
62 or younger	SSNRA, or 54 months, whichever is longer
63	48 months
64	42 months
65	36 months
66	33 months
67	30 months
68	27 months
69 or older	24 months

Social Security Normal Retirement Age (SSNRA) means your normal retirement age under the Federal Social Security Act, as amended.

## What are Some of the Other Features of this Coverage?

This LTD coverage has the following features:

- It covers disabilities that occur 24 hours a day, both on and off the job.
- If an employer makes an approved work-site modification that enables you to return to work while disabled, The Standard will reimburse the employer up to a pre- approved amount for some or all of the cost of the modification.
- While LTD benefits are payable, you may qualify to participate in a rehabilitation plan that prepares you to return to work. If you qualify, The Standard may pay for return to work expenses you incur, such as job search, training and education and family care expenses. While you are participating in the rehabilitation plan your LTD benefit will be increased by 10 percent of your predisability earnings.
- While you are disabled, a dependent education benefit is available for eligible children and spouse / domestic partner.
- If you die while LTD benefits are payable, and on the date you die you have been continuously disabled for at least 180 days, a survivors benefit equal to 12 times your reduced LTD benefit may be payable.

## What are Your Return-to-Work Incentives?

To encourage your return to productive work, the plan may continue to pay a disability benefit if you return to work. If you are still considered to be disabled while you are working, your combined part-time earnings and disability benefits received during the first 24 months of benefit payment may equal up to 100% of your indexed predisability earnings. The Standard will not deduct any amount until the combined earnings and benefit payment exceeds 100%. After the first 24 months, then The Standard will consider 50% of your work earnings as deductible income and reduce the LTD benefit payment by such amount.



Please consider examples below:

Example A: Your monthly insured predisability earnings are \$3,000. The monthly LTD benefit amount is 66 2/3% of \$3,000, which is equal to \$2,000. During the first two years of benefit payment, you work part-time and earn \$800 per month. Therefore, the combined LTD benefit and work earnings are \$2,800. Because the combined LTD benefit and part-time earnings do not exceed 100% of your predisability earnings, The Standard will not reduce your LTD benefit. After the first two years, if you continue to work part-time and earn \$800 per month, Standard will deduct 50% of your earnings from the LTD benefit payment. You will therefore receive  $\$2,000 + 50\% \text{ of } \$800 (\$400) = \$2,400$ .

Example B: Your monthly insured predisability earnings are \$3,000. The monthly LTD benefit amount is 66 2/3% of \$3,000, which is equal to \$2,000. During the first two years of benefit payment, you work part-time and earn \$1,200 per month. Therefore, the combined LTD benefit and work earnings are \$3,200. Because the combined LTD benefit and part-time earnings exceed 100% of your predisability earnings, The Standard will reduce your LTD benefit by the amount exceeding 100%, or \$200. You can receive a total of LTD benefit plus work earnings of up to  $\$2,000 - \$200 + \$1,200 = \$3,000$  per month for up to two years. After the first two years, if you continue to work part-time and earn \$1,200 per month, The Standard will deduct 50% of your earnings from the LTD benefit payment. You will therefore, receive  $\$2,000 + 50\% \text{ of } \$1,200 (\$600) = \$2,600$ .

Family Care Expenses Adjustment – In addition, if you must pay family care expenses in order to work, the work earnings used to determine your deductible income will be reduced by your family care expenses, up to \$250 per family member per month or a total monthly maximum of \$500. This adjustment will be provided for up to 24 months.

## What Coverage Exclusions Apply?

You are not covered for a disability caused or contributed to by any of the following:

- Your committing or attempting to commit an assault or felony, or your active participation in a violent disorder or riot
- An intentionally self-inflicted injury, while sane or insane
- War or any act of war (declared or undeclared, and any substantial armed conflict between organized forces of a military nature)
- A preexisting condition or the medical or surgical treatment of a preexisting condition unless on the date you become disabled, you have been continuously insured under the group policy for at least 12 months, and you have been actively at work for at least one full day after the end of the 12 months. (A preexisting condition is a diagnosed mental or physical condition for which you received medical treatment, care or services or have taken prescribed medication at any time during the 90-day period just before your insurance becomes effective.)

## What Other Limitations Apply to this Coverage?

LTD benefits are not payable for any period when you are:

- Not receiving appropriate care from a physician until maximum point of recovery
- Not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by your physician and The Standard, unless your disability prevents you from participating
- Confined for any reason in a penal or correctional institution

In addition, payment of LTD benefits is limited in duration in the following situations:

- You reside outside of the United States or Canada
- Your disability is caused or contributed to by mental disorders or substance abuse. These benefits are limited to 24 months of payment during your lifetime.

## How do I File a Claim?

To file a claim by telephone, contact The Standard's Claim Intake Service Center at 855.757.4713. For additional information, please refer to your LTD FAQ on the County's Human Resources website, or see your departmental payroll clerk.

**Please refer to the certificate of insurance for complete details.**



For more than 100 years we have been dedicated to our core purpose: to help people achieve financial well-being and peace of mind. We have earned a national reputation for quality products and superior service by always striving to do what is right for our customers.

Headquartered in Portland, Oregon, The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance and Individual Disability insurance. We provide insurance to more than 24,800 groups covering over 8 million employees nationwide.\* Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

To learn more about The Standard, visit us at **[www.standard.com](http://www.standard.com)**. For more information about group Voluntary LTD insurance from The Standard, contact your human resources department.

\* As of Dec. 31, 2016, based on internal data developed by Standard Insurance Company.

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GP190-LTD/S399, GP899-LTD, GP399-LTD/Trust

Group Voluntary Long Term Disability Insurance

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