

Voluntary Short Term Disability Insurance

For Government of the District of Columbia Employees
Answers To Your Questions About Coverage From Standard Insurance Company





About This Booklet

This booklet is designed to answer some common questions about the group Voluntary Short Term Disability (STD) insurance coverage being offered by your employer to eligible employees. It is not intended to provide a detailed description of the coverage.

If coverage becomes effective and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the group policy issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the group policy or the insurance coverage in any way. If you have additional questions, please contact your human resources representative.

Voluntary Short Term Disability Insurance Features

Chances are you already purchase home, auto and life insurance to protect yourself against the threat of loss. And you probably have health insurance to guard against costly medical bills.

So, what steps have you taken to help shield yourself, your lifestyle and those who count on you from an unexpected loss of income? Would you be able to meet your financial obligations if you became disabled and unable to work?

STD insurance is designed to pay a weekly benefit to you in the event you cannot work because of a covered illness or injury. This benefit replaces a portion of your income, thus helping you to meet your financial commitments in a time of need.

By sponsoring group Voluntary STD insurance from Standard Insurance Company, your employer offers you an excellent opportunity to help protect yourself and your lifestyle. The advantages to you include:

- **Convenience** – With premiums deducted directly from your paycheck, you don't have to worry about mailing monthly payments.
- **Savings** – Typically, group insurance rates are lower than the rates of individual insurance plans, generally providing you with coverage at a lower cost.
- **Peace of Mind** – You can take comfort and satisfaction in knowing that you have taken a step toward securing your income during a period of disability.

Commonly Asked Questions

The following information provides details to give you a better understanding of group Voluntary STD insurance available from The Standard. Written in non-technical language, this is not intended as a complete description of the coverage.

Do I need STD insurance?

If you are not certain that you need STD coverage, consider if you would be able to meet your financial obligations if you became disabled and unable to work for an extended period of time. The risk of disability may be greater than you think. Recent statistics have shown:

- Over 7.6 million workers are receiving Social Security disability benefits; almost half are under age 50 (Source: Social Security Administration, Fact Sheet July 2009)
- Three in 10 workers entering the workforce today will become disabled before retiring. (Source: Social Security Administration, Fact Sheet March 2011)
- A disabling injury occurs nearly every second of each day – on and off the job. That's more than 70,000 every day, more than 25 million every year. (Source: National Safety Council, Injury Facts 2011)

If you depend on your regular paycheck to pay your bills, what would happen if you became sick and couldn't work? Voluntary STD insurance from The Standard may be part of the solution.





Am I eligible for this coverage?

To be a member and eligible for the Voluntary STD insurance coverage, you must be:

- A regular employee of Government of the District of Columbia who is in a permanent bargaining employee or non-bargaining executive level, or a full-time or part-time permanent employee, excluding temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors
- Regularly working at least 20 hours each week
- A citizen or resident of the United States or Canada

When is Government of the District of Columbia's Voluntary STD plan effective?

The effective date of the Voluntary STD coverage is September 1, 2006. We encourage you to consider this opportunity to apply for the Voluntary STD coverage.

When does my insurance go into effect?

The Voluntary STD coverage goes into effect when you become an eligible member, when you apply and whether you are required to provide evidence of insurability.

If you are not required to provide evidence of insurability, if you apply and agree to pay premiums, your Voluntary STD coverage becomes effective on:

- The date you become eligible if you apply on or before that date or
- The date you apply if you apply after you become eligible. You may be subject to a late enrollment penalty if you do not apply within 31 days after you become eligible or during the employer's Annual Enrollment Period.
- The later of the date you apply or the date of the Family Status Change, if you apply within 31 days of the Family Status Change.

If you are required to provide evidence of insurability, if you apply and agree to pay premiums, your Voluntary STD coverage becomes effective on the date The Standard approves your evidence of insurability.

Note: Evidence of Insurability will not be required if you were eligible under the prior plan for more than 31 days but not insured, provided you apply within 31 days of a Family Status Change.

In every case, you must meet the active work requirement before your insurance becomes effective.

What is the active work requirement?

Active work means performing with reasonable continuity, the material duties of your own occupation at your employer's usual place of business. You must be capable of active work on the day before the

scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are not actively at work on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete 1 full day of active work as an eligible employee.

What if I don't apply for this coverage now?

If you do not apply for coverage within 31 days of the date you become eligible, a late enrollment penalty applies. This means that if you file a claim for anything other than an accidental injury during the first 12 months after your coverage becomes effective, STD benefits will become payable after you have been continuously disabled for 60 days and remain disabled.

When am I considered disabled?

During the benefit waiting period and to the end of the maximum benefit 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 material duties of your own occupation, and
- You suffer a loss of at least 20 percent of your indexed predisability earnings when working in your own occupation.

You are not disabled merely because your right to perform your own occupation is restricted, including a restriction or loss of license. You may work in another occupation while you are disabled from your own occupation, however, you will not be considered disabled when your work earnings from another occupation exceed 80 percent of your predisability earnings.

When do STD benefits become payable?

If you become disabled and your claim for STD benefits is approved by The Standard, STD benefits become payable after the benefit waiting period. This is a specified number of days during which you must remain continuously disabled. STD benefits are not payable during the benefit waiting period. The benefit waiting period is indicated below:

Cause of disability	Benefit waiting period
Accidental injury	20 days
Physical disease, pregnancy or mental disorder*	20 days

*If the late enrollment penalty applies, the benefit waiting period for disability caused by physical disease, pregnancy or mental disorder is 60 days during the first year you are insured under the Voluntary STD plan.



How much is the STD benefit amount?

Your weekly STD benefit is 66 ⅔ percent of your insured predisability earnings reduced by deductible income. The plan minimum and maximum STD benefit amounts are indicated below:

Plan maximum weekly STD benefit	Plan minimum weekly STD benefit
\$1,385	\$15

How is the STD benefit amount calculated?

The STD benefit amount is determined by multiplying your insured predisability earnings by the specified benefit percentage. This amount is then reduced by other income you receive or are eligible to receive while STD benefits are payable. This other income is referred to as deductible income.

In the example below, the STD benefit percent amount is 66 ⅔ of insured predisability earnings. If your weekly earnings (or predisability earnings) before becoming disabled were \$500, your weekly STD benefit would be calculated as follows:

Insured predisability earnings	\$500
STD benefit percentage	x .6667
	\$ 333.50

What are predisability earnings?

Predisability earnings are your weekly rate of earnings from your employer and typically include:

- Salary
- Shift differential pay
- Contributions you make through a salary reduction agreement with your employer to an IRC Section 401(k), 403(b), 408(k), 408(p) or 457 deferred compensation arrangement, or an executive nonqualified deferred compensation arrangement
- Amounts contributed to fringe benefits according to salary reduction agreements under an IRC Section 125 plan

Predisability earnings generally exclude bonuses, overtime pay, your employer's contributions on your behalf to a deferred compensation arrangement or pension plan or any other extra compensation. They are based on your earnings in effect on the last full day of active work. Please contact your human resources representative for additional information regarding what is included in predisability earnings.



What is deductible income?

Deductible income is income you receive or are eligible to receive while STD benefits are payable. It is used to reduce the amount of your STD benefit. It includes, but is not limited to, the following:

- Amounts under any unemployment compensation law, state disability income benefit law or similar law
- Disability benefits from any other group insurance
- Disability or retirement benefits under your employer's retirement plan
- Earnings from work activity while you are disabled, plus the earnings you could receive, if you worked as much as you are able considering your disability
- Earnings or compensation included in your predisability earnings and which you receive or are eligible to receive while STD benefits are payable
- Amounts due from or on behalf of a third party because of your disability
- Any amount you receive by compromise, judgment, settlement or other method as a result of a claim for any of the above
- Sick pay, annual or personal leave pay, severance pay, or other salary continuation, including donated amounts, (but not vacation pay) paid to you by your Employer

What is the maximum benefit period?

If you become disabled, STD benefits may continue during disability up to 180 days. This is the maximum period for which STD benefits are payable for any one period of continuous disability. If you are eligible to receive benefits under any other long term disability plan, your STD benefits will end when the other long term disability benefits become payable, even if this occurs before the end of the maximum benefit period for the STD benefits. (This benefit is not available in Maryland). Please refer to the Coverage Highlights for more details and benefit amounts.



When do STD benefits end?

STD benefits end automatically on the earliest of:

- The date you are no longer disabled
- The date your maximum benefit period ends
- The date you die
- The date benefits become payable under any other disability plan under which you become insured through employment during a period of temporary recovery
- The date long term disability (LTD) benefits become payable to you under a group LTD policy
- The date you fail to provide proof of continued disability and entitlement to benefits

What are some of the other features of this coverage?

This STD coverage has the following features:

- If premium payments are made with “after-tax” dollars, STD benefits are federally tax-free under current federal tax law.
- If your employer makes an approved work-site modification that enables you to return to work while disabled, The Standard will reimburse your employer up to a pre-approved amount for some or all of the cost of the modification.
- If the group policy terminates, STD benefits will continue as long as you are eligible to receive them.

What exclusions apply to this coverage?

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

- Your involvement in any employment for wage or profit
- 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)
- The loss of your professional or occupational license or certification

What limitations apply to this coverage?

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

- Not under the ongoing care of a physician in the appropriate specialty as determined by The Standard
- Not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by The Standard, unless your disability prevents you from participating
- Confined for any reason in a penal or correctional institution
- Able to work and earn at least 20 percent of your indexed predisability earnings in your own occupation, but you elect not to work
- Eligible to receive benefits for your Disability under a workers' compensation law or similar law

When does my Voluntary STD insurance coverage end?

The Voluntary STD insurance ends automatically on the earliest of the following:

- The date the last period ends for which you make a premium contribution
- The date your employment terminates
- The date the group policy terminates
- The date you cease to be a member, however, insurance may continue for limited periods under certain circumstances as described in the group policy
- If applicable, the date your employer ceases to participate under the group policy



How much will the Voluntary STD coverage cost?

The biweekly premium rates per \$100 of monthly benefit for the group Voluntary STD coverage are indicated in the table below.

Employee Age on last January 1	Bi-weekly premium rate per \$100 of monthly benefit
Under Age 50	\$0.47
Age 50 and over	\$0.61

To calculate the bi-weekly payroll deduction for your Voluntary STD coverage, use the rates above and the formula below:

1. Enter your average monthly earnings, not to exceed \$9,000, on Line 1. Line 1: _____
2. Multiply Line 1 by .6667 to determine your Monthly Benefit and enter on Line 2. Line 2: _____
3. Select your rate from the rate table and divide this by 100. Enter on Line 3. Line 3: _____
4. Multiply Line 2 by the amount shown on Line 3. Enter on Line 4. Line 4: _____

The amount shown on Line 4 is your estimated bi-weekly payroll deduction. Premiums for the Voluntary STD coverage will be deducted directly from your paycheck. If you have questions regarding how to determine your predisability earnings, please contact your human resources representative.

How do I apply for Voluntary STD insurance coverage?

To apply for Voluntary STD insurance, complete the Enrollment Form in your enrollment packet, place it in a confidential envelope and submit it to your human resources department. You can apply at any time, but remember if you apply more than 31 days after becoming eligible, the late enrollment penalty applies.

What if I have additional questions?

If you have any additional questions, please contact your human resources representative.



Your employer has chosen Standard Insurance Company to provide group Voluntary STD coverage to eligible employees. The Standard has earned a solid reputation for its quality products, superior customer service, expert resources, steady growth, innovation and strong financial performance. Founded in 1906, The Standard has developed a national presence in the employee benefits industry, providing customers with group and individual disability insurance and retirement plans, and group life and dental insurance.

Just as others count on you, you can count on The Standard for Voluntary STD insurance in a time of need. Talk with your employer's human resources representative for more information about group Voluntary STD insurance from The Standard.

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[Group Policy Form Numbers:
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