LONG TERM DISABILITY INSURANCE PLAN
(LTD PLAN)

FOR

FULL-TIME APPOINTED EMPLOYEES

OF

INDIANA UNIVERSITY

UNIVERSITY HUMAN RESOURCE SERVICES
JANUARY 1, 2010
This booklet is designed to summarize the optional
group Long Term Disability (LTD) insurance coverage
being offered by Indiana University to eligible
employees and is not intended to provide a detailed
description of the coverage.

Insured employees may obtain a certificate of coverage
from the University Human Resources Office. The
certificate contains 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.

Indiana University reserves the right to modify, amend,
change or discontinue this plan at any time.
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**Long Term Disability Plan Highlights**

### Plan Type
Indiana University’s group long term disability (LTD) plan is optional income protection coverage. It is underwritten by Standard Insurance Company and purchased by the employee through payroll contributions.

### Eligibility
All active full-time employees of Indiana University are eligible for LTD insurance coverage.

### Enrollment
Eligible employees may enroll within 60 days of their hire date by giving written election to the University. After 60 days from their hire date, employees must complete a Medical History Statement and enrollment is subject to approval by The Standard.

### Monthly Income Benefit
Equals 60 percent of employee’s budgeted base salary (or monthly wage base), up to $10,000 a month, less the sum of benefits from other sources (e.g., Social Security, workers’ compensation, retirement, etc.).

### Additional Benefits
- **Annual Benefit Adjustment** – Adjusts monthly income benefit, 3 percent on April 1st, after you have been disabled for the preceding calendar year.
- **Survivor Income Benefit** – Equals three times the monthly income benefit and is paid as a lump sum to surviving dependents in the event of the disabled employee’s death after a specified period of disability.
- **Reasonable Accommodation Expense Benefit** – Reimburses your employer for modifications made to your work site to enable you to return to active employment.
- **Assisted Living Benefit** – Benefit increases to 80% of budgeted base salary for claimant unable to perform two or more Activities of Daily Living, without hands-on or standby assistance or suffering severe cognitive impairment. Not to exceed an additional $3,333 benefit per month.
- **Conversion Privilege** – Allows eligible employees to buy group LTD conversion insurance without proof of insurability when group LTD insurance ends.

### Tax Implications
Because premium payments are made with after-tax dollars, monthly benefits are federally tax-free under current federal tax law.

### Benefits Selection
Eligible employees may choose one of the following plan options at the time of enrollment:

<table>
<thead>
<tr>
<th>Option</th>
<th>Elimination Period</th>
<th>Monthly Annuity Premium Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>180-day</td>
<td>No</td>
</tr>
<tr>
<td>B</td>
<td>90-day</td>
<td>No</td>
</tr>
<tr>
<td>C</td>
<td>180-day</td>
<td>Yes</td>
</tr>
<tr>
<td>D</td>
<td>90-day</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Additional details are in the following sections.
Why Long Term Disability Insurance?

Long Term Disability (LTD) insurance from Standard Insurance Company is designed to pay a monthly benefit to insured employees in the event they cannot work because of a disabling sickness or injury. This benefit replaces a portion of monthly income, thus helping eligible employees to meet their financial commitments in a time of need. Eligible employees may also elect an LTD coverage option that includes an annuity contribution benefit. This option allows contributions to a retirement annuity account at TIAA-CREF while also receiving monthly income benefits, helping disabled employees to also protect their future retirement income.

Employees who are not certain that they need LTD coverage should consider if they would be able to meet their financial obligations if they suffered an injury and were unable to work for an extended period of time. Recent statistics have shown:

- The top 5 causes of Long Term Disability Claims - 28.6% Muscle/bone disorders, 15.1% Cancer, 10.3% Accidents, 8.7% Cardiovascular and 8.3% Mental disorders. (Source: Council for Disability Awareness, 2014 Long Term Disability Claims Review)
- Over half of Americans are financially unprepared for a period of disability. 52% of adult Americans have no savings earmarked for emergencies. (Source: U.S. Federal Reserve Board, Report on the Economic Well-Being of U.S. Households in 2016, May 2017)

By sponsoring an optional group LTD insurance plan from The Standard, Indiana University offers eligible employees an excellent opportunity to help protect their income in the event of a disabling event.
ELIGIBILITY
Active full-time employees of Indiana University are eligible for LTD insurance coverage.

ENROLLMENT
To become insured, an employee must be eligible for insurance and must give written election to the employer. It is important to give written election within 60 days after the date the employee becomes eligible. Otherwise, evidence of insurability satisfactory to The Standard will be required.

Provided the employee is actively at work on the date the employee becomes eligible, insurance will become effective on the date:

• The employee becomes eligible, if written election is given to the employer on or before that date, or
• The employer receives written election, if it is given within 60 days after the date the employee becomes eligible, or
• The Standard approves evidence of insurability, if written election is given to the employer more than 60 days after the employee becomes eligible.

If an employee is incapable of active work on the date insurance is to begin, it will not become effective until the day after the employee has completed one full day of active work.

Active Work Requirement
Active work means performing with reasonable continuity, for wages that are paid regularly by Indiana University, the material duties of the employee’s normal occupation at the usual place of work or at any alternate place of work required by Indiana University. For purposes of becoming eligible for insurance, becoming insured and increasing insurance, actively at work will include regularly scheduled days off, holidays or vacation days, so long as the employee is capable of active work on those days and was actively at work on the last day required to be at the workplace.

EVIDENCE OF INSURABILITY REQUIREMENT
Employees must provide evidence of insurability satisfactory to The Standard and at no cost to The Standard:

• If they give written election more than 60 days after the date they become eligible
• If they give a written election for a lesser elimination period

When evidence of insurability is required, complete and submit a Medical History Statement. In some cases, The Standard may request additional medical information or a physical exam.
Optional LTD Insurance

BENEFITS SELECTION
Eligible employees may choose one of the following plan options at the time of enrollment:

<table>
<thead>
<tr>
<th>Option</th>
<th>Elimination Period</th>
<th>Annuity Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>180 days</td>
<td>None</td>
</tr>
<tr>
<td>B</td>
<td>90 days</td>
<td>None</td>
</tr>
</tbody>
</table>
| C      | 180 days           | 10 percent for employees who enrolled on or after July 1, 1999  
12 percent for employees who enrolled before July 1, 1999 |
| D      | 90 days            | 10 percent for employees who enrolled on or after July 1, 1999  
12 percent for employees who enrolled before July 1, 1999 |

WHEN BENEFITS BEGIN
If an employee becomes disabled and a claim for monthly income benefits is approved by The Standard, benefits become payable at the end of the month after the elimination period. Depending upon the coverage option elected when the employee enrolled in the group LTD plan, the elimination period may be 90 or 180 days. This is the number of days during which the employee must remain continuously disabled. Monthly income benefits are not payable during the elimination period.

Note: Claims for monthly income benefits should be submitted immediately without waiting until the end of the elimination period.

DEFINITION OF DISABILITY
For the elimination period and the normal occupation period, disabled or disability means being unable due to sickness, bodily injury or pregnancy to perform with reasonable continuity the material duties of the employee’s normal occupation.

For the any occupation period, disabled or disability means being unable due to sickness, bodily injury, or pregnancy to perform with reasonable continuity the material duties of any occupation for which the employee is reasonably qualified by education, training or experience.

After the elimination period, the employee may be disabled if due to sickness, bodily injury or pregnancy the employee is unable to earn 80 percent or more of the increasing monthly wage base (or budgeted base salary).

The normal occupation period is the first 24 months after the elimination period. The any occupation period begins at the end of the normal occupation period and continues while benefits are payable.

At the end of the normal occupation period, a claim for monthly income benefits is evaluated to determine if the employee continues to meet the definition of disability applicable during the any occupation period and otherwise remains eligible for benefits. However, monthly income benefits will not be payable after the normal occupation period if disability is caused or contributed to, by medical or surgical treatment of a mental illness.
MONTHLY INCOME BENEFIT AMOUNT

The monthly income benefit is a percentage of the budgeted base salary (or monthly wage base) reduced or offset by benefits from other sources. The maximum and minimum monthly income benefit amounts for the plan are indicated below.

<table>
<thead>
<tr>
<th>Benefit Schedule</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of budgeted base salary</td>
<td>60 percent</td>
</tr>
<tr>
<td>Maximum monthly income benefit</td>
<td>$10,000</td>
</tr>
<tr>
<td>Minimum monthly income benefit</td>
<td>$100 or 10 percent of the monthly income benefit before offsets, whichever is greater</td>
</tr>
</tbody>
</table>

The monthly income benefit amount is determined by multiplying the insured budgeted base salary by the specified benefit percentage. This amount is then reduced by other income, referred to as benefits from other sources, which the employee receives or is eligible to receive while monthly income benefits are payable.

In the example below, the monthly income benefit amount is 60 percent of insured monthly wage base. If the budgeted base salary before becoming disabled was $2,000 and the employee now receives a monthly Social Security disability benefit of $600 and a worker’s compensation monthly benefit of $200, the monthly income benefit would be calculated as follows:

- Insured budgeted base salary: $2,000
- Monthly income benefit percentage: 60%
- Amount of monthly income benefit: $1,200
  - Less Social Security disability benefit: - $600
  - Less workers’ compensation benefit: - $200
  - Amount of monthly income benefit: $ 400

Budgeted Base Salary

The budgeted base salary (or monthly wage base) is 1/12 of the basic annual wage payable by the employer at the start of a term of continuous disability. Any change in earnings after the last day of active work will not affect the budgeted base salary. The basic annual wage includes:

- Salary
- Contributions made through a salary reduction agreement with the employer to an Internal Revenue Code (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 a salary reduction agreement under an IRC Section 125 plan

If the basic annual wage consists of other than 12 monthly payments, the budgeted base salary will be 1/12 of the total annual amount of such payments. If paid hourly, the basic annual wage is based on the hourly pay rate multiplied by the number of hours regularly scheduled to work per month, but not more than 173 hours, multiplied by 12 months.

The basic annual wage excludes overtime pay, commissions, bonuses and other types of extra compensation.

Please contact the University Human Resources Office for additional information regarding what is included in the budgeted base salary.
Benefits From Other Sources

Benefits from other sources are benefit amounts available or provided that reduce the amount of the monthly income benefit. Benefits from other sources may include but are not limited to, the following:

- Social Security or similar benefits that are payable to the employee and the employee’s dependents for disability or retirement on the employee’s wage record under the Social Security Act of the United States or any similar United States or foreign government program
- Workers’ compensation or similar benefits, including amounts for partial or total disability, whether permanent, temporary or vocational, or whether paid either monthly or as a one sum amount, and any form of settlement that is payable under any workers’ compensation law or similar law
- Benefit amounts that are payable for disability under any other group insurance coverage
- Benefit amounts that are payable for retirement under the Indiana State Public Employees Retirement Fund to which any employer contributed; amounts payable for retirement will not include those benefits payable based on contributions the employee made; regardless of how funds from the retirement plan are distributed, The Standard will consider all contributions by the employee and employer to be distributed simultaneously throughout the employee’s lifetime
- Any amounts paid by compromise, settlement or other method as a result of a claim for any of the above, whether disputed or undisputed

Benefits from other sources will not include amounts paid for a continuous disability that starts before a disability for which benefits are payable under the group policy. In addition, for amounts paid in one sum or by a method other than monthly, The Standard will determine the monthly income benefit using a prorated amount and the period of time to which the benefits from other sources applies. If no period of time is stated, The Standard will use a reasonable one.

An employee receiving monthly income benefits is expected to file for all applicable benefits from other sources, including Social Security Disability benefits, and provide a copy of all award or decision letters to The Standard.

Before receipt of the final written decisions on the benefits from other sources, except for Social Security Disability, The Standard will estimate the amounts that are payable and will use the estimates to determine the amount of the benefits from other sources to deduct from the monthly income benefit.

For Social Security Disability benefits, The Standard will not offset estimated amounts if the employee provides timely written proof of application for these benefits, has pursued each and every appeal that is available, and signs an agreement to repay The Standard for the amount of monthly income benefits overpaid as a result of any retroactive award of Social Security Disability benefits. An employee may request that The Standard deduct an estimated amount for Social Security Disability benefits from the employee’s monthly income benefit prior to the actual award and receipt of the Social Security Disability benefit.

For all other benefits from other sources, The Standard will offset estimated amounts until the employee provides written proof of the initial denial for these benefits. From that point forward, The Standard will not offset estimated amounts for benefits from other sources if the employee provides, on an ongoing basis, written proof that the employee has been declined, has pursued each and every appeal that is available, and signs an agreement to repay The Standard for the amount of monthly income benefits overpaid as a result of any retroactive award of benefits from other sources.
Optional LTD Insurance

If The Standard’s estimates of benefits from other sources and the actual amounts paid or payable differ, The Standard will adjust benefits from other sources accordingly after receiving the final written decisions.

Note: Social Security Disability benefits have a five-month waiting period before they become payable. During this time period, The Standard will not estimate an amount for Social Security Disability benefits nor deduct an amount for these benefits from the employee’s monthly income benefit.

MAXIMUM BENEFIT PERIOD
If the employee becomes disabled before age 60, monthly income benefits may continue during disability until age 65. If employee becomes disabled at age 60 or older, monthly income benefits continue during a term of continuous disability until the following age or time limit:

<table>
<thead>
<tr>
<th>Age When Disability Begins</th>
<th>Age or Time Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than age 60</td>
<td>To age 65</td>
</tr>
<tr>
<td>60 to 65</td>
<td>5 years</td>
</tr>
<tr>
<td>66</td>
<td>4 years</td>
</tr>
<tr>
<td>67</td>
<td>3 1/2 years</td>
</tr>
<tr>
<td>68</td>
<td>3 years</td>
</tr>
<tr>
<td>69</td>
<td>2 1/2 years</td>
</tr>
<tr>
<td>70</td>
<td>2 years</td>
</tr>
<tr>
<td>71</td>
<td>1 3/4 years</td>
</tr>
<tr>
<td>72</td>
<td>1 1/2 years</td>
</tr>
<tr>
<td>73</td>
<td>1 1/4 years</td>
</tr>
<tr>
<td>74 and over</td>
<td>1 year</td>
</tr>
</tbody>
</table>

WHEN BENEFITS END
After monthly income benefits start, they will continue to be payable each month during a term of continuous disability. The last benefit payment will be made as of the first day of the month in which the earliest of these events occurs:

• The employee is no longer disabled
• The employee reaches the age or time limit for which benefits are payable
• The employee dies
• The employee fails to provide proof of continued disability and entitlement to benefits under the group policy
• Benefits become payable under any other long term disability plan under which the employee becomes insured through employment during a period of temporary recovery
• The employee attains the specified time limit (24 months) for disability caused by or contributed to medical or surgical treatment of mental illness
Optional LTD Insurance

ANNUITY CONTRIBUTION BENEFIT
At the time of enrollment, an eligible employee may select a benefit option that includes an annuity contribution benefit which is payable while an employee is disabled and receiving a monthly income benefit. The amount of the annuity contribution benefit is a specified percentage of the budgeted base salary as shown in the chart below. This benefit is directly credited to Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF) retirement annuities. Benefit payments to begin on April 1st, if you have been disabled for the preceding 24 months. A lump sum payment equal to 24 months of annuity contribution benefit will be paid and monthly payments will continue while receiving LTD benefits, or until annuity contribution benefit funds are transferred or withdrawn.

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<td>None</td>
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|        |                   | 12 percent for employees who enrolled before July 1, 1999 |

You are eligible for a cost of living adjustment on your Annuity Contribution Benefit if, on each April 1, you have been disabled for the preceding 3 calendar years and Annuity Contribution Benefits continue to be payable. The Annuity Contribution Benefit will be adjusted by 3 percent each April 1. The maximum payable cost of living adjustment will not exceed $5,000.

OTHER FEATURES AND BENEFITS
This LTD coverage has the following features:

• Monthly income benefit will be adjusted by 3 percent by the annual benefit adjustment beginning on April 1st, if you have been disabled for the preceding calendar year.

• A survivor income benefit equal to three times the monthly income benefit will be paid in a lump sum to surviving dependent(s), if any, if the employee dies while monthly income benefits are payable, and on the date of death, the employee has been continuously disabled for at least 180 days.

• It covers disabilities that occur 24 hours a day, both on and off the job.

• If premium payments are made with after-tax dollars, monthly income benefits are federally tax-free under current federal tax law.

• Disabled employees may qualify for rehabilitation services that prepare them to work to the fullest extent of their abilities. This may include such services as vocational testing, job preparation, career counseling, retraining or workplace modification.

• If the group policy terminates while an employee is disabled, monthly income benefits will continue as long as the employee is eligible to receive them.
COST
The optional group LTD coverage is paid for by the employee. Contact the campus Human Resources Office for monthly premium rate information.

EXCLUSIONS
Employees are not covered for a disability caused or contributed to by any of the following or medical or surgical treatment of the following:

- A mental or physical condition that is intentionally self-inflicted, while sane or insane
- A mental or physical condition that results from war or any act of war (declared or undeclared, whether civil or international, and any substantial armed conflict between organized forces of a military nature)
- A mental or physical condition that results from committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot
- A preexisting condition unless continuously insured under the group policy or the employer’s prior long term disability plan for the 12-month period prior to the start of disability
- Loss of license or certification

Preexisting Condition Definition
A preexisting condition is a mental or physical condition, except for pregnancy, whether or not diagnosed or misdiagnosed, that within the six months prior to the most recent effective date of insurance:

- The employee incurred expense, received medical treatment, services or advice, underwent diagnostic procedures, took prescribed drugs or medicine, or consulted a physician or other licensed medical professional
- Was discovered or suspected as a result of any medical examination including a routine examination

LIMITATIONS
Monthly income benefits are not payable for any period when the employee:

- Is confined in a prison or other correctional facility or in a treatment facility in lieu of being confined in any correctional facility
- Is not participating in a program of rehabilitation service that The Standard determines prepares the employee to work to the fullest extent of the employee’s ability
- Is not under the regular care of a physician
- Fails to provide proof of disability and other required proof
- Fails to comply with The Standard’s request to be examined
- Attains the specified time limit (24 months) for disability caused by or contributed to medical or surgical treatment of mental illness
WHEN COVERAGE ENDS
The optional group LTD insurance ends automatically on the earliest of the following:

• The date the group policy terminates
• The date the last period ends for which a premium contribution is made
• The date the employee stops active work in an eligible class (which includes ceasing to meet any required work test)
• The date the group policy is changed to terminate insurance on the class of employees to which the employee belongs

If an employee is no longer actively at work due to a leave of absence or a disability, ask the employer or the policyholder for information about options available under the group policy for insurance to continue during the leave of absence.

CONVERSION OF INSURANCE
The group policy allows employees to convert the group LTD coverage to an individual disability policy without submitting proof of good health. The employee must, however, complete the conversion application within 31 days from the date employment terminates. Additionally:

• The employee must have been insured under the group policy for at least 12 continuous months
• Insurance is ending solely because the employee is terminating employment with Indiana University
• Insurance is not ceasing because of the employee’s retirement
• The employee is not disabled

COVERAGE DURING A LEAVE OF ABSENCE
As long as the employee continues to remit the required premium, LTD insurance can continue in the following circumstances:

• If the employee is on sabbatical leave or leave of absence and receives at least one-quarter pay, LTD coverage may continue until the end of 12 months, or, if earlier, the end of the leave
• If the employee is on an approved unpaid leave of absence for full-time study for an advanced degree or work in the field of education or research, then LTD coverage may continue until the end of 12 months, or, if earlier, the end of the leave
• If the employee is on an approved Family Medical Leave
• If the employee stops working and goes on leave due to a disability, insurance may be continued as long as premiums are paid during the absence; no premiums are due if the employee is receiving monthly income benefits under the group policy
Applying for Optional LTD Insurance

To apply for the optional group LTD insurance, complete the Enrollment Form in the enrollment packet and submit it to the University Human Resources Office within 60 days of hire.

Employees may apply for the optional group LTD coverage at any time as long as they meet the requirements to become insured. However, if they apply more than 60 days after becoming eligible, satisfactory evidence of insurability is required. Coverage subject to evidence of insurability is not effective until approved by The Standard.
To file a claim, please contact the University Human Resources Office for an LTD Claim Packet and follow these steps:

1. The employee keeps the Instructions, Employee’s Statement, both Authorizations to Obtain Information and Attending Physician’s Statement, and does the following:
   - Complete, sign and date the Employee’s Statement, sign and date the Authorizations to Obtain Information and send these forms directly to The Standard.
   - Complete Part A of the Attending Physician’s Statement, give the form, envelope and fraud notice to the physician and instruct the physician to complete Part B and send the form directly to The Standard.

2. The employer completes the Employer’s Statement and sends it to The Standard with the following:
   - Job description and/or completed Job Analysis Form
   - Employment application or resume
   - A photocopy of LTD enrollment forms (required when employee pays all or part of the premiums)
   - All Enrollment and Change forms and any insurance change forms if the employee has Life Insurance with The Standard
   - Documentation of any benefits from other sources defined by the group policy