



## GROUP BUY-UP LONG TERM DISABILITY INSURANCE

Protect your income while coping with a long-lasting disability.

Your employer provides you with a basic level of disability insurance. Will that be enough for you? Think about your ongoing expenses and how much income you'll need to replace. You have the option to enroll in an enhanced level of disability insurance.

**Long Term Disability insurance may help protect your income if you can't work and don't get your regular paycheck.**

**Long Term Disability insurance** can help pay the bills if you become disabled and can't work for an extended period. That could be a few months or several years. This coverage may help replace part of your paycheck, which can help protect your lifestyle and savings.

**You can get help returning to work when you're ready.** This Long Term Disability coverage includes incentives and assistance to help you get back to work. The Standard may also help pay the costs of modifying your workplace to accommodate your needs.

One in four 20-year-olds will become disabled before reaching age 67. And one in 10 Americans live with severe disability.\* Long-term disabilities can be caused by accidents but also by illnesses such as cancer and heart disease. How many paychecks could you miss? **Long Term Disability insurance can help you maintain your lifestyle and pay for things like:**



Housing Costs



Groceries



Car Insurance



College Tuition

\*Source: Basic Facts, U.S. Social Security Administration, June 2018

# Long Term Disability Insurance

## What Your Benefit Provides

This is the amount per month you would receive if you experience a qualifying disability. Eligible earnings are your monthly insured predisability earnings, as defined by the group policy. Your monthly benefit will be reduced by deductible income. Please see the Important Details section for a list of deductible income sources.

You'll be automatically enrolled in the base plan if you don't elect coverage and the policy becomes effective. You may be insured under the base plan or the buy-up plan, but not both. If you cease paying premiums for the buy-up plan, you will automatically be insured under the base plan.

### Base coverage provided by the City of Los Angeles at no cost to you

50 percent of your eligible earnings, up to a maximum benefit of \$3,726 per month.

Plan minimum per month: \$100 or 10 percent of the Long Term Disability benefit.

### Buy-up coverage you can purchase, paid for by you

An additional 16  $\frac{2}{3}$  percent for a total of 66  $\frac{2}{3}$  percent of your eligible earnings, up to a maximum benefit of \$12,000 per month.

Plan minimum per month: \$100 or 10 percent of the Long Term Disability benefit.

## Benefit Waiting Period

If you experience a qualifying disability, your benefit waiting period is the length of time you must be continuously disabled before you become eligible to receive your monthly benefit.

180 days plus the period for which you receive 100 percent sick leave pay and 75 percent sick leave pay under your employer's sick leave plan.

## How Long Your Benefits Last

This is the maximum length of time you could be eligible to receive disability benefits for a continuous disability.

For Base coverage:

Age	Maximum Benefit Period
67 or younger	1 year 6 months
68	1 year 3 months
69 or older	1 year

For Buy-up: Until age 65+ADEA

Depending on your age at the time of disability, your benefits may be subject to a different schedule. Refer to the Maximum Benefit Period tables in the Important Details section for specifics.

See the Important Details section for more information, including requirements, exclusions, limitations and definitions.

# Additional Features

## Help With Returning To Work

If a worksite modification would enable you to return to work, the coverage can help your employer make approved modifications.

## Survivors Benefit

If you die while receiving benefits, your eligible survivors may receive a one-time additional payment.

# How Much Your Coverage Costs

Your base plan is paid for by the City of Los Angeles and costs you nothing. If you choose to purchase buy-up coverage, you'll have access to competitive group rates that may be more affordable than those available through individual insurance. You'll also have the convenience of having your premium deducted directly from your paycheck.

Your monthly premium rate for the buy-up plan is based off a percentage of your insured predisability earnings (PDE), as indicated in the table below. If you do not enroll in the buy-up plan, subject to eligibility requirements, you will automatically be insured under the base plan with no premium cost to you. If you have questions regarding how to determine your earnings, please visit [keepinglawell.com](http://keepinglawell.com) or call 833.452.9355.

Use this formula to estimate your buy-up monthly premium payment:

	x	=	
<b>Line 1.</b> Enter your average monthly earnings (not to exceed \$18,000).			<b>Line 2.</b> Select your rate from the rate table below and divide this by 100.
			<b>Line 3.</b> This amount is an estimate of how much you'd pay each month.

Your Age (as of Last January 1)	Rate (% of insured PDE)
<30	0.218
30-34	0.259
35-39	0.318
40-44	0.427
45-49	0.653
50-54	0.944
55-59	1.321
60-64	1.447
65-69	1.688
70+	1.922

## As you consider whether to apply for buy-up Long Term Disability insurance, evaluate what makes sense for you.

Getting by without a paycheck isn't easy, especially for an extended period of time. Make sure you have enough financial protection to help you with housing costs, utilities and other bills.

Your employer provides you with a basic level of disability insurance. Will that be enough for you? If not, you have the option to enroll in an enhanced level of disability insurance.

To estimate your insurance needs, you'll need to consider your unique circumstances. Use our online calculator at [standard.com/employee-benefits/city-los-angeles](http://standard.com/employee-benefits/city-los-angeles).

## Important Details

Here's where you'll find the details about the plan.

### Eligibility Requirements

To be eligible for coverage, you must be:

- You must be (a) an active civilian employee of the City of Los Angeles regularly working at least 40 hours each pay period; or (b) an active half-time civilian employee of the City of Los Angeles regularly working at least 20 hours each pay period; and (c) one of the following:
  1. A contributing member of the City Employees' Retirement System, and not represented by an employee representation unit; or
  2. An employee who is eligible for membership in one of the employee representation units for which an employer-sponsored long term disability plan has been negotiated in a Memorandum Of Understanding (MOU); or
  3. An active elected official or member of the Board of Public Works of the employer.

You are not eligible if you are:

- An employee classified by the City of Los Angeles as a fire or police sworn employee who is not a LACERS member, or an employee of the Department of Water and Power; or
- A part-time, intermittent, temporary or seasonal employee, and an employee in a similar position; or
- A full-time member of the armed forces of any country.

### Employee Coverage Effective Date

To become insured you must:

- Meet the eligibility requirements listed above
- Apply for buy-up coverage and agree to pay premiums
- Receive medical underwriting approval (if applicable)
- Be actively at work (able to perform with reasonable continuity the substantial and material acts of your job) on the day before the scheduled effective date of insurance

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 one full day of active work as an eligible employee.

All late applications (applying 60 days after becoming eligible), requests for coverage increases (including requests to insure predisability earnings that are greater than the last amount for which evidence of insurability was required), and reinstatements are subject to medical underwriting approval. Employees eligible but not insured for contributory coverage under the prior long term disability insurance plan are also subject to medical underwriting approval for contributory coverage.

For more information regarding the requirements that must be satisfied for your insurance to become effective, please visit [keepinglawell](#) or call 833.452.9355.

### Definition of Disability

For the benefit waiting period and the first 24 months that Long Term Disability benefits are payable, you will be 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 necessary to pursue duties of your own occupation and you are not working in your own occupation, or
- You are unable to earn 80 percent or more of your predisability earnings when working in your own occupation.

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

After the own occupation period of disability, you will be considered disabled if, as a result of a 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 as a result of physical disease, injury, pregnancy or mental disorder you 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 at an occupation within a reasonable distance from your residence, an equivalent distance to your work before disability, or the regional labor market if you reside in a metropolitan area.

### Base Maximum Benefit Period

If you become disabled before age 68, Long Term Disability benefits may be payable for 1 year and 6 months. If you become disabled at age 68 or older, the benefit duration is determined by the age when disability begins:

Age	Maximum Benefit Period
68	1 year, 3 months
69+	1 year

### Buy-up Maximum Benefit Period

If you become disabled before age 62, Long Term Disability benefits may continue during disability until age 65 or 3 years, 6 months, whichever is longer. If you become disabled at age 62 or older, the benefit duration is determined by the age when disability begins:

Age	Maximum Benefit Period
62	3 years, 6 months
63	3 years
64	2 years, 6 months
65	2 years
66	1 year, 9 months
67	1 year, 6 months
68	1 year, 3 months
69+	1 year

### Exclusions

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

- Your committing or attempting to commit a felony
- 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 the exclusion period and you have been actively at work for at least one full day after the end of the exclusion period

### Preexisting Condition Provision

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 preexisting condition period, or
- If medical underwriting approval was required for coverage, a mental or physical condition, whether diagnosed or undiagnosed:
  - For which you have received medical treatment, care or services or have taken prescribed medication at any time during the preexisting condition period, just before your insurance becomes effective, or
  - That caused symptoms during the preexisting condition period for which you, or a reasonably prudent person, would usually seek medical treatment, care or services, and which was misrepresented or not disclosed in your application for coverage.

Preexisting Condition Period: The 90-day period just before your insurance becomes effective

Treatment Free Period: 6 consecutive months during the exclusion period

Exclusion Period: 12 months

### Limitations

Long Term Disability benefits are not payable for any period when you are:

- Not receiving care by a physician which is appropriate for the condition(s) causing the disability

In addition, the length of time you can receive Long Term Disability payments will be limited if:

- Your disability is caused or contributed to by mental disorders, alcoholism or drug use,

When Your Benefits End

Your Long Term Disability benefits end automatically on the date any of the following occur:

- You are no longer disabled
- Your maximum benefit period ends
- Benefits become payable under any other disability insurance plan under which you become insured through employment during a period of temporary recovery
- You fail to provide proof of continued disability and entitlement to benefits
- The date your work earnings exceed 80 percent of your indexed predisability earnings
- You pass away

Deductible Income

Your benefits will be reduced if you have deductible income, which is income you receive or are entitled to receive while receiving Long Term Disability benefits. Deductible income includes:

- Sick pay, annual or personal leave pay, severance pay or other forms of salary continuation (including donated amounts) paid to you by your employer
- Benefits under any workers' compensation law (other than California Workers' Compensation benefits for permanent total and permanent partial disability) or similar law
- Amounts under unemployment compensation law
- Social Security disability or retirement benefits, including benefits for your spouse and children
- Amounts because of your disability from any other group insurance that exceed 80 percent of your indexed predisability earnings when added to your Long Term Disability benefit
- Any retirement benefits received or disability benefits you received or are entitled to receive from your employer's retirement plan
- Benefits under any state disability income benefit law or similar law
- Earnings from work activity while you are disabled
- Earnings or compensation included in your predisability earnings which you receive or are eligible to receive while Long Term Disability benefits are payable
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above

Benefit Calculation Example

The Long Term Disability benefit amount is determined by multiplying your insured predisability earnings by the specified benefit percentage. This amount is then reduced by deductible income. In the example below, the Long Term Disability benefit amount is 60 percent of insured predisability earnings.

If your monthly earnings before becoming disabled were \$4,500, and you now receive monthly Social Security Disability Income benefit of \$1,200 and a monthly retirement benefit of \$900, your monthly Long Term Disability benefit would be calculated as follows:

Insured predisability earnings	\$4,500
Long Term Disability benefit percentage	X 60%
	\$2,700
Less Social Security Disability Income benefit	-\$1,200
Less retirement benefit	-\$900
<b>Amount of Long Term Disability benefit</b>	<b>\$600*</b>

\*Please note your Long Term Disability benefit amount may vary based on your own circumstances including earnings, whether your employer has a retirement plan and the amount of your employer's contribution.

When Your Insurance Ends

Your insurance ends automatically when any of the following occur:

- The date the last period ends for which a premium was paid
- The date your employment terminates. However, if your employment terminates because you retire, or because you are promoted to work for or are transferred to the City of Los Angeles Department of Water & Power, insurance ends on the last day of the calendar month in which you retire or are promoted/transferred to the City of Los Angeles Department of Water & Power
- The date the group policy terminates
- The date you cease to meet the eligibility requirements or enter non-pay status with the City of Los Angeles (insurance may continue for limited periods under certain circumstances)

Group Insurance Certificate

If coverage becomes effective and you become insured, you may 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. The information present in this summary does not modify the group policy, certificate or the insurance coverage in any way.



For more than 100 years, we have been dedicated to our core purpose: to help people achieve financial well-being and peace of mind. Headquartered in Portland, Oregon, The Standard is a nationally recognized provider of group employee benefits. To learn more about products from The Standard, visit us at **standard.com**.

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon, in all states except New York. Product features and availability vary by state and are solely the responsibility of Standard Insurance Company.

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