



Voluntary Group Long Term Disability Insurance

FOR BENEFITS ELIGIBLE EMPLOYEES OF SYRACUSE UNIVERSITY

Answers to your questions about coverage from
The Standard Life Insurance Company of New York



TheStandard®

SYRACUSE UNIVERSITY

About This Booklet

This booklet is designed to answer some common questions about Voluntary Group Long Term Disability (“Voluntary LTD”) insurance coverage available through Syracuse University to benefits eligible employees (defined as *members* under the Voluntary LTD *Group Policy*). It is not intended to provide a detailed description of the coverage. As is the case with all of the University's employee benefits, the University reserves the right to modify or terminate the *group policy* (the Syracuse University Voluntary Group Long Term Disability Plan) from time to time. You will only be eligible for the coverage described in this booklet if the requirements of the *group policy* are satisfied, and the terms of the *group policy* will control if there are any inconsistencies with this booklet.

If coverage becomes effective and you become insured, you will receive a group insurance certificate/summary plan description (“SPD”) 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 The Standard Life Insurance Company of New York (“The Standard”). Neither the SPD, 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 the Human Resources Service Center at 315.443.4042.

Please note that defined terms and provisions from the *group policy* are italicized in this booklet.



Voluntary Long 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?

LTD insurance is designed to pay a monthly 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.

Voluntary LTD insurance from The Standard helps protect you 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 planning for your income replacement needs during a period of *disability*.

Commonly Asked Questions

The information on the following pages provides details to give you a better understanding of Voluntary LTD insurance available from The Standard. This is not intended as a complete description of the coverage. The terms of the Voluntary LTD coverage are set forth in the *group policy*, and summarized in the SPD.

Do I need LTD insurance?

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

- Every 90 seconds someone files for bankruptcy in the wake of a serious illness¹
- Almost 3 in 10 of today's 20 year olds will become disabled before reaching age 67²
- 1 in 4 Americans say they would have difficulty supporting themselves financially immediately following a disability; 3 out of 4 say they would face financial trouble within 6 months.³

To help determine your need for disability income protection, complete the worksheet below. Fill in amounts for your monthly expenses and income and compare the two. If you depend on your regular paycheck to pay your bills, what will happen if you become sick and unable to work? Are you prepared for the unexpected? Voluntary LTD insurance from The Standard may be part of the solution.

Monthly Expenses	
Food	\$ _____
Mortgage/rent	_____
Childcare/education	_____
Utilities	_____
(electricity, gas, cable, phone, etc.)	
Clothing	_____
Debts	_____
(credit cards, student & auto loans, etc.)	
Insurance	_____
(health, life, auto, home, etc.)	
Taxes	_____
Other	_____
Total Monthly Expenses	\$ _____
Monthly Income	
Take home pay	\$ _____
Spouse income	_____
Other income	_____
Total Monthly Income	\$ _____

¹ *The American Journal of Medicine*, Vol. 122, No 8, August 2009

² Social Security Administration, Fact Sheet 2009

³ Disability survey conducted by Kelton Research on behalf of the LIFE Foundation, April 2009

Am I eligible for this coverage?

To be eligible for the Voluntary LTD insurance coverage, you must be a *member*, which means an active benefits eligible employee of Syracuse University, as defined in *group policy*.

You are **not** eligible for this coverage if you are a temporary or seasonal employee, a full-time member of the armed forces, a leased employee, an independent contractor, a SUAbroad (formerly DIPA) employee at one of the University's overseas centers, a graduate assistant, a recipient of a graduate fellowship or employees of Drumlins, Inc., S.U. Theatre Corporation and the Syracuse University Hotel and Conference Center.

When would my insurance go into effect?

The effective date of your coverage depends on when you become eligible for this coverage, when you apply and whether you are required to provide *evidence of insurability*.

You are **not** required to provide *evidence of insurability* if you apply for Voluntary LTD insurance, within 45 days of the date you become eligible.

If you are required to provide *evidence of insurability*, and you apply and agree to pay premiums, then subject to the *active work* requirement, your Voluntary LTD coverage becomes effective on the date The Standard approves your *evidence of insurability*.

What is the active work requirement?

Active work generally means performing with reasonable continuity, the *material duties* of your *own occupation* at Syracuse University'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. Your insurance will not become effective until the day after you complete one day of *active work* as a *member*. The *active work* requirement is described in further detail in the SPD.

Will I have to provide information regarding my medical history?

You will need to complete and submit a Medical History Statement if you apply for Voluntary LTD insurance more than 45 days after the date you first become eligible and, in some cases, we may request additional medical information and/or a physical exam.

If you apply for Voluntary LTD insurance within 45 days of becoming eligible to apply and you meet the *active work* requirement, you will qualify to insure monthly *predisability earnings* up to a maximum amount of \$20,000. This means that you will not have to submit satisfactory *evidence of insurability* to purchase coverage up to this maximum amount.

When do LTD benefits become payable?

If you become *disabled* and your claim for *LTD benefits* is approved by The Standard, *LTD benefits* become payable after you have been continuously *disabled* for 180 days and remain continuously *disabled*. *LTD benefits* are not payable during this *benefit waiting period*.

When am I considered disabled?

During the *benefit waiting period* (six months from the date you become *disabled*) and the *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 *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*.

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

*The *own occupation period* for the Voluntary LTD coverage is the first 24 months for which *LTD benefits* are paid. 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 meet or exceed 80 percent of your *indexed predisability earnings*.

After the *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 *material duties* of *any occupation* that you are able to perform, whether due to education, training or experience:

- Which is available at one or more locations in the national economy; and
- In which you can be expected to earn at least 60 percent of your *indexed predisability earnings* within 12 months following your return to work, regardless of whether you are working in that or any other occupation.

How much is the LTD benefit amount?

The monthly LTD benefit is 60% percent of insured *predisability earnings* reduced by *deductible income*. The plan minimum and maximum LTD benefit amounts are indicated below.

Plan maximum monthly LTD benefit	Plan minimum monthly LTD benefit
\$12,000	\$100

How is the LTD benefit amount calculated?

The LTD benefit amount is determined by multiplying your insured *predisability earnings* by the specified benefit percentage. This amount is then reduced by other income you may receive or are eligible to receive while LTD benefits are payable, including, but not limited to, Social Security disability benefits. This other income is referred to as *deductible income*. Under the terms of the *group policy*, insured employees will pay the premiums for this coverage with “after-tax” dollars. As a result, under current federal tax law, the LTD benefit would not be subject to federal income tax.

Please see the examples below, based on an LTD benefit of 60 percent of insured *predisability earnings*.

Example 1 (without Social Security Benefit)

Insured <i>predisability earnings</i>	\$8,000 per month
LTD benefit percentage	<u>x 60%</u>
Amount of LTD benefit	\$4,800 per month

Example 2 (with Social Security Benefit)

Insured <i>predisability earnings</i>	\$8,000 per month
LTD benefit percentage	<u>x 60%</u>
	\$4,800
Less Social Security disability benefit	<u>- 800</u> per month
Amount of LTD benefit	\$4,000 per month

Example 3 (without Social Security Benefit)

Insured <i>predisability earnings</i>	\$3,000 per month
LTD benefit percentage	<u>x 60%</u>
Amount of LTD benefit	\$1,800 per month

Example 4 (with Social Security Benefit)

Insured <i>predisability earnings</i>	\$3,000 per month
LTD benefit percentage	<u>x 60%</u>
Amount of LTD benefit	\$1,800 per month
Less Social Security disability benefit	<u>- 500</u>
Amount of LTD benefit	\$1,300 per month

What are *predisability earnings*?

Predisability earnings are your monthly rate of earnings from Syracuse University and typically include:

- Salary;
- Contributions you make through a salary reduction agreement with Syracuse University's compensation arrangement, or an executive nonqualified deferred compensation arrangement; and
- Amounts contributed to fringe benefits according to salary reduction agreements under an IRC Section 125 plan (such as the Syracuse University Cafeteria Plan).

Predisability earnings generally exclude bonuses, overtime pay, commissions, Syracuse University's contribution 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 the Human Resources Service Center at 315.443.4042 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 *LTD benefits* are payable. It is used to reduce the amount of your *LTD benefit* and includes, but is not limited to, the following:

- Sick pay, annual or personal leave pay, and severance pay (including donated amounts) paid by Syracuse University other than the Syracuse University Salary Continuation Plan*;
- Benefits under any workers' compensation law, state disability income benefit law or similar law;
- Amounts under unemployment compensation law or similar law;
- Social Security disability or retirement benefits, including benefits for your spouse and children;
- Disability benefits from another group insurance coverage**;
- Disability or retirement benefits under Syracuse University'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 to considering your *disability*;
- Earnings or compensation included in your *predisability earnings* and which you receive or are eligible to receive while *LTD benefits* are payable;
- Amounts due from or on behalf of a third party because of your *disability*; and
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above.

* If an employee is covered under both the *group policy* and the Syracuse University Salary Continuation Plan ("Salary Continuation Plan"), disability benefits shall first be provided under the *group policy*. To the extent an employee is eligible for any payments under the Salary Continuation Plan, such payments shall be reduced by the value of any payments that the employee is eligible for under the *group policy*. The preceding two sentences shall also apply to any successor plan to the *group policy* and/or the Salary Continuation Plan, except to the extent the terms of the successor plan expressly provide otherwise.

**For purposes of this provision, the Syracuse University Salary Continuation Plan will not be considered "another group insurance coverage."

What is the *maximum benefit period*?

The table below illustrates the benefit duration, which is determined by your age when *disability* begins.

Age when <i>disability</i> begins	<i>Maximum benefit period</i>
61 or younger	To age 65, or 3 years 6 months, if longer
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 and above	1 year

When do *LTD benefits* end?

LTD 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 LTD plan* under which you become insured through employment during a period of *temporary recovery*; and
- The date you fail to provide proof of continued *disability* and entitlement to *LTD benefits*.

* For purposes of this provision, the Syracuse University Salary Continuation Plan will not be considered “any other LTD plan.”

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.
- Because premium payments are made with “after-tax” dollars, *LTD benefits* are federally income tax-free under current federal tax law.
- If Syracuse University makes an approved work-site modification that enables you to return to work while *disabled*, The Standard will reimburse Syracuse University 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.
- 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 three times your unreduced monthly *LTD benefit* may be payable.

What exclusions apply to this coverage?

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;
- *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; and/or
- 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 12-month *exclusion period* and *actively at work* for at least one full day after the end of the *exclusion period*.

What is a preexisting condition?

A *preexisting condition* is a mental or physical condition, whether or not diagnosed or misdiagnosed:

- Which was discovered or suspected as a result of any routine or other medical examination at any time during the *preexisting condition period**; or
- For which you have consulted a physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the *preexisting condition period**.

*The *preexisting condition period* is the three-month period just before your Voluntary LTD insurance becomes effective.

What limitations apply to this coverage?

LTD 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.
- Able to work and earn at least 20 percent of your *indexed predisability earnings*, but you elect not to work; during the *own occupation period*, the responsibility to work is limited to work in your *own occupation*; thereafter, the responsibility to work includes work in *any occupation*.

In addition, payment of *LTD benefits* is limited in duration:

- To 12 months if you reside outside the United States or Canada.
- To 24 months in your lifetime if your *disability* is caused or contributed to by *mental disorders, substance abuse or other limited conditions*, including, but not limited to, chronic fatigue conditions, allergy or sensitivity to chemicals or the environment, chronic pain conditions, carpal tunnel or repetitive motion syndrome, temporomandibular joint disorder or craniomandibular joint disorder.

Will *LTD benefits* end if the *group policy* terminates or is changed?

During each period of continuous *disability*, The Standard will pay *LTD benefits* according to the terms of the *group policy* in effect on the date you become *disabled*.

Your right to receive *LTD benefits* will not be affected by:

- Any amendment to the *group policy* that is effective after you become *disabled*.
- Termination of the *group policy* after you become *disabled*.

When does my Voluntary LTD insurance coverage end?

Voluntary LTD insurance ends automatically on the earliest of the following:

- The date the last period ends for which you make a premium contribution (except if premiums are waived while *disabled*);
- 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*); or
- If applicable, the date Syracuse University ceases to participate under the *group policy*.

Note: This policy allows for conversion privileges in certain circumstances.

How much will the Voluntary LTD coverage cost?

The monthly premium rates for the Voluntary LTD coverage are indicated in the table below.

Employee age on January 1 st of Each Year	Premium rate per \$100 of <i>predisability earnings</i>
Age 29 and under	\$0.200
Age 30 to 34	\$0.240
Age 35 to 39	\$0.300
Age 40 to 44	\$0.440
Age 45 to 49	\$0.660
Age 50 to 54	\$0.960
Age 55 to 59	\$1.240
Age 60 to 64	\$1.290
Age 65 to 69	\$1.370
Age 70 to 74	\$1.770
Age 75 and above	\$2.700

To calculate the monthly payroll deduction for this Voluntary LTD coverage, use the following formula:

1. Enter your monthly <i>predisability earnings</i> , not to exceed \$20,000.	Line 1: _____
2. Select your rate from the rate table.	Line 2: _____
3. Multiply Line 1 by the amount shown on Line 2.	Line 3: _____
4. Divide Line 3 by 100.	Line 4: _____

The amount shown on Line 4 is your estimated monthly payroll deduction. If you have questions regarding your *predisability earnings*, please contact the Human Resources Service Center at 315.443.4042. Premiums are waived during periods when *LTD benefits* through The Standard are payable.

How do I apply for Voluntary LTD insurance coverage?

To apply for Voluntary LTD insurance, complete the Enrollment Form provided by Syracuse University. Remember if you apply more than 45 days after becoming eligible, satisfactory *evidence of insurability* is required. Coverage subject to *evidence of insurability* is not effective unless approved by The Standard.

If you have any additional questions, please contact the Human Resources Service Center at 315.443.4042.

About The Standard Life Insurance Company of New York

Syracuse University has chosen The Standard Life Insurance Company of New York to provide Voluntary LTD coverage to benefits eligible employees.

Just as others count on you, you can count on The Standard for Voluntary LTD insurance in a time of need. Talk with the Human Resources Service Center at 315.443.4042 for more information about Voluntary LTD insurance from The Standard.



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This policy provides disability income insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department.