

# Voluntary Long Term Disability Insurance

Income Protection When You Need It Most

TheStandard®

The Standard Life Insurance Company of New York  
Long Term Disability Insurance

**SYRACUSE UNIVERSITY**

## About This Booklet

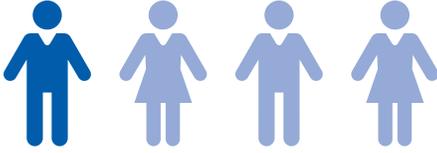
This booklet is designed to answer some common questions about the group Voluntary Long Term Disability (LTD) insurance coverage offered to the eligible employees in your company. It is not intended to provide a detailed description of the coverage.

If coverage becomes effective and you become insured, you will receive a group insurance certificate/summary plan description (SPD) containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, restrictions and terminating events. The controlling provisions will be in the group policy. Neither this booklet nor the certificate modify 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.

In addition to this booklet, refer to your Voluntary LTD Insurance Certificate and Summary Plan Description for more information about the group Voluntary LTD coverage.

**Note:** The proposed policy would provide group 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.





More than 25% of today's 20-year-olds will become disabled during their career.\*

\* U.S. Social Security Administration, Facts June 2, 2017

## Voluntary Long Term Disability Insurance

Chances are you already purchase home, auto and life insurance to protect yourself against 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?

Group Voluntary Long Term Disability (LTD) insurance is designed to pay a benefit if you cannot work because of a covered illness or injury. This benefit replaces a portion of your monthly income, helping you meet your financial commitments when you need support.

By sponsoring group Voluntary LTD insurance from The Standard Life Insurance Company of New York, 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.

**Peace Of Mind** – You can take comfort and satisfaction in knowing that you have taken a step toward protecting your income and financial well-being during a covered disability.

## Commonly Asked Questions

The following information will give you a better understanding of the group Voluntary LTD insurance available from The Standard. Refer to your Voluntary LTD Insurance Certificate and Summary Plan Description for additional details.

### 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:

- More than 25% of today's 20-year-olds will become disabled during their career.<sup>1</sup>
- 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.<sup>2</sup>
- Over half of Americans are financially unprepared for a period of disability. 52% of adult Americans have no savings earmarked for emergencies.<sup>3</sup>

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.

<sup>1</sup> U.S. Social Security Administration, Facts. <https://www.ssa.gov/disabilityfacts/facts.html>. Accessed June 2, 2017

<sup>2</sup> Council for Disability Awareness, 2014 Long Term Disability Claims Review

<sup>3</sup> U.S. Federal Reserve Board, Report on the Economic Well-Being of U.S. Households in 2016, May 2017

## 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** ..... \$ \_\_\_\_\_

## 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.

## What Is The Effective Date Of This Plan?

The effective date is dependent upon a minimum number of eligible employees in your company applying and qualifying for the coverage. This required level of participation has been agreed upon by your employer and The Standard. The group coverage is not effective until the required participation level is reached.

## **When Does My Coverage Become Effective?**

If the minimum participation requirement is met and the group policy goes into effect, then the effective date of your coverage depends on when you become an eligible member, when you apply and whether you are required to provide information regarding your medical history, referred to as evidence of insurability.

If you apply, agree to pay premiums and are NOT required to provide evidence of insurability, your 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 within 31 days after you become eligible.

If you apply, agree to pay premiums and ARE required to provide evidence of insurability, your coverage becomes effective on the date The Standard approves your evidence of insurability. In every case, you must meet an active work requirement before your insurance becomes effective. Refer to your Voluntary LTD Insurance Certificate and Summary Plan Description for additional information about the coverage effective date for employees.

## **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.

## **Will I Have To Provide Information Regarding My Medical History?**

Yes, if you:

- Apply more than 31 days after you become eligible for insurance
- Were eligible but not insured under your company's prior LTD coverage, if any
- Terminate your coverage for any reason, but later apply to become insured again
- Request to insure predisability earnings that are greater than the last amount for which evidence of insurability was required

Contact your human resources department for a Medical History Statement when evidence of insurability is required.

## **When Am I Considered Disabled?**

### **Own Occupation Period**

During the benefit waiting period 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.

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 disabled; however, you will no longer be considered disabled when your work earnings from another occupation exceed 80 percent of your predisability earnings.

### Any Occupation Period

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 which 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 Calculated?

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.

<b>Plan maximum monthly LTD benefit</b> \$12,000	<b>Plan minimum monthly LTD benefit</b> \$100
---	--

### How Is The LTD Benefit Amount Calculated?

The Standard multiplies 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 LTD benefits are payable. This other income is referred to as deductible income.

In the example below, the LTD benefit amount is 60 percent of insured predisability earnings. If your monthly earnings (or predisability earnings) before becoming disabled were \$2,000 and you now receive a monthly Social Security disability benefit of \$600 and a monthly state disability benefit of \$200, your monthly LTD benefit would be calculated as follows:

Insured predisability earnings	\$2,000
LTD benefit percentage	x 60 %
	<hr/>
	<b>\$1,200</b>
Less Social Security disability benefit	-\$600
Less employer retirement benefit	-\$200
	<hr/>
<b>Amount of LTD benefit</b>	<b>\$400<sup>4</sup></b>

<sup>4</sup> Please note your LTD benefit amount may vary based on your own circumstances including earnings, whether your employer has a retirement plan and the amount of their contributions.



## What Are Predisability Earnings?

Predisability earnings are your monthly 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 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 salary reduction agreements under an IRC Section 125 plan

Predisability earnings generally exclude bonuses, overtime pay, your employer's contribution to a deferred compensation arrangement or pension plan, or any other extra compensation.

Predisability earnings 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.

Deductible income includes, but is not limited to, the following:

- Sick pay, annual or personal leave pay, severance pay or other forms of salary continuation, including donated amounts paid by your employer
- Benefits under any workers' compensation law, state disability income benefit law or similar law
- Amounts received under any unemployment compensation law or similar law
- Social Security disability or retirement benefits, including benefits for your spouse and children or any similar plan or act
- Disability benefits from any other insurance, including individual insurance for professionals
- 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 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
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above

## When Do LTD Benefits Become Payable?

When LTD Benefits are payable, they begin at the end of the benefit waiting period. Benefits are not payable during the benefit waiting period. For disabilities subject to the Preexisting Condition Limitation (see page 10), the benefit waiting period is the longer of (a) and (b):

- (a) the 12-month period beginning on the date the employee becomes insured under the group policy; and
- (b) after you have been continuously disabled for 90 days and remain continuously disabled.

Periods (a) and (b) run concurrently.

## 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
- 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 LTD coverage has the following features:

- It covers disabilities that occur 24 hours a day, both on and off the job
- It includes an Employee Assistance Program and WorkLife services that offer easy access to support, guidance and resources to help you and your family resolve personal issues.<sup>5</sup>
- 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 \$25,000 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 your return-to-work expenses, 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 90 days, a survivor's benefit equal to three times your unreduced LTD benefit may be payable (any survivor's benefit payable will first be applied to any overpayment of your claim due to The Standard)
- If the group policy terminates, LTD benefits will continue as long as you are eligible to receive them.

<sup>5</sup> Provided only for employers with 10 to 2,499 insured employees. This EAP service is not affiliated with The Standard. The EAP is not an insurance product.

## **What Exclusions Apply To This Coverage?**

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

- 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

## **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
- Are 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
- Are 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)

Payment of the LTD benefit will be limited if disability is caused or contributed to by 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 a period of 12 months, and
- Have been actively at work for at least one full day at the end of that 12 months.

A preexisting condition is a mental or physical condition (whether diagnosed or misdiagnosed) that occurs at any time during the preexisting condition period specified in your Voluntary LTD Insurance Certificate and Summary Plan Description and:

- 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, or
- Which was discovered or suspected as a result of any routine or other medical examination.

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

- You reside outside of the United States or Canada for more than 12 months
- Your disability is caused or contributed to by mental disorders, substance abuse or other limited conditions, including but not limited to chronic fatigue conditions (such as chronic fatigue syndrome and post viral syndrome), any allergy or sensitivity to chemicals or the environment (such

as sick building syndrome and multiple chemical sensitivity syndrome), chronic pain conditions (such as fibromyalgia, reflex sympathetic dystrophy and myofascial pain), carpal tunnel or repetitive motion syndrome or temporomandibular or craniomandibular joint disorder.<sup>6</sup>

### When Does My Insurance Coverage End?

LTD insurance automatically ends 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 described in the group policy)
- If applicable, the date your employer ceases to participate under the group policy

### When Does The Group Policy Terminate?

The Standard may terminate the group policy:

- For non-payment of required premium
- If the number of employees insured in the group Voluntary LTD plan falls below the required minimum participation
- If The Standard determines your employer has failed to promptly furnish requested information or failed to perform any other obligations relating to the group policy

Your employer may terminate the group policy at any time.

### 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 of Each Year	Premium rate per \$100 of <i>predisability earnings (new rates)</i>
Age 29 and under	\$ 0.196
Age 30 to 34	\$ 0.235
Age 35 to 39	\$ 0.294
Age 40 to 44	\$ 0.431
Age 45 to 49	\$ 0.647
Age 50 to 54	\$ 0.941
Age 55 to 59	\$ 1.215
Age 60 to 64	\$ 1.264
Age 65 to 69	\$ 1.343
Age 70 to 74	\$ 1.735
Age 75 and above	\$ 2.646

<sup>6</sup> This limitation does not apply to neoplastic diseases, neurologic diseases, endocrine diseases, hematologic diseases, asthma, allergy-induced reactive lung disease, tumors, malignancies, vascular malformations, demyelinating diseases or lupus.

To calculate your monthly Voluntary LTD coverage payroll deduction, use the formula indicated below:

1. Enter your average 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?**

To apply for the group Voluntary LTD insurance coverage, 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 for the coverage, evidence of insurability is required. Coverage subject to evidence of insurability is not effective until approved by The Standard.

### **Additional Questions?**

For more information about the available group Voluntary LTD insurance coverage, please contact your Human Resources Service Center at 315.443.4042.





Here at The Standard, we've worked hard to earn our reputation for quality products, excellent service and dedication to our customers. We are committed to our core purpose: to help people achieve financial well-being and peace of mind. From our headquarters in White Plains, we offer a wide range of group Disability, Life, Dental and Vision insurance and Individual Disability insurance products to serve the needs of employees across the state of New York.

To learn more about group Voluntary Long Term Disability Insurance from The Standard, contact your human resources department or visit us at [standard.com](http://standard.com).

The Standard Life Insurance  
Company of New York  
445 Hamilton Avenue  
11th floor  
White Plains, New York 10601

[standard.com](http://standard.com)