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Hillsboro School District 1J Benefit Summary for Employer Provided Long Term Disability Insurance (LTD)

Definition of a Member

An active Administrator, Confidential/Supervisory/Technical or Classified employee of the Employer regularly working at least 4 hours each week day; or an active Licensed employee of the Employer regularly working 75% or more of the Employers work week

Eligibility Waiting Period

- ◆ Members who become Members on or before the 5th day of the calendar month: the first day of the calendar month following the date you become a Member. Members who become Members after the 5th day of the calendar month: the first day of the calendar month following 1 continuous month as a Member.

Schedule of Benefits

- ◆ LTD Benefit equals 66 2/3% of the first \$12,000 of monthly Pre-Disability Earnings, reduced by any *Deductible Income.
- ◆ Maximum Monthly Benefit is \$8,000, before reduction by Deductible Income.
- ◆ The Benefit Waiting Period is the first 60 days of disability or the period for which you choose to receive sick leave benefits under the Employer's sick leave plan, whichever is longer.
- ◆ Maximum Benefit Period: to Age 65. (Graded schedules for those age 61 or older).

Definition of Disability

During the first 24 months benefits are payable, you are considered disabled if as a result of injury, physical disease, mental disorder or pregnancy, you are unable to perform with reasonable continuity the material duties of your own occupation.

After the first 24 months, you are considered disabled if as a result of injury, physical disease, mental disorder or pregnancy, you are unable to perform with reasonable continuity the material duties of any occupation for which you are reasonably suited for by education, training or experience.

Plan Features

- ◆ Partial Disability - Benefits are payable while you are partially disabled. The benefit formula generates total income replacement at a higher level than while unable to work at all.
- ◆ Survivor Benefit - If you die while benefits are payable, your surviving spouse, unmarried children under age 25 or any person providing the care and support of any of them, will receive three times your gross monthly LTD benefit.
- ◆ Assisted Living Benefit – this is an additional benefit payable each month if you are unable to perform 2 or more Activities of Daily Living.
- ◆ Provisions for recurrent disability.
- ◆ Employee Assistance Program

Exclusions and Limitations

Benefits are not payable for disabilities caused or contributed by War, Intentionally Self-inflicted Injuries or Pre-existing conditions. (A Preexisting Condition is a condition for which you have consulted a physician, received medical treatment or services, or taken prescribed drugs or medications during the 90 days before your insurance becomes effective. This exclusion will not apply after you have been continuously insured for 12 months and have been actively at work for one full day after those 12 months.) Credit for coverage under the previous group LTD plan will be given towards the pre-existing condition provision. You must be under the care of a Physician. Two-year limitation for Drug, Alcohol or Mental Disorder related claims (per incidence).

Deductible Income

- ◆ Sick Pay or other salary continuation (but not vacation pay) paid to you by your Employer, as determined below:
 - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your sick pay or other salary continuation to that amount.
 - b. Determine 100% of your Indexed Predisability Earnings.
 - c. If a. is greater than b., the difference will be Deductible Income.
- ◆ Your Work Earnings, as determined by the Partial Disability formula.
- ◆ Any amount you receive or are eligible to receive because of your disability under any worker's compensation law or similar law, including amounts for partial or total disability, whether permanent, temporary, or vocational.
- ◆ Any amount you, your spouse, or your children under 18 receive or are eligible to receive because of your disability or retirement under:
 - a. The Federal Social Security Act;
 - b. The Canada Pension Plan;
 - c. The Quebec Pension Plan;
 - d. Any similar plan or act.
- ◆ Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.
- ◆ Any amount you receive or are eligible to receive because of your disability under any other group insurance coverage.
- ◆ 50% of disability or retirement benefits you receive under your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members.
- ◆ Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed.

Exceptions to Deductible Income

Deductible Income does not include:

- ◆ Any cost of living increase in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
- ◆ Reimbursement for hospital, medical, or surgical expense.
- ◆ Reasonable attorneys fees incurred in connection with a claim for Deductible Income.
- ◆ Benefits from any individual disability insurance policy.
- ◆ California Workers' Compensation benefits for permanent total or permanent partial disability.
- ◆ Early retirement benefits under the Federal Social Security Act which are not actually received.
- ◆ Group credit or mortgage disability insurance benefits.
- ◆ The following amounts under your Employer's retirement plan:
 - a. A lump sum distribution of your entire interest in the plan.
 - b. Any amount which is attributable to your contributions to the plan.
 - c. Any amount you could have received upon termination of employment without being disabled or retired.
- ◆ Benefits from a through h below:
 - a. Profit sharing plan
 - b. Thrift or savings plan
 - c. Deferred Compensation plan
 - d. Plan under IRC Section 401(k), 408(k), or 457
 - e. Individual Retirement Account (IRA)
 - f. Tax Sheltered Annuity (TSA) under IRC Section 403(b)
 - g. Stock Ownership plan
 - h. Keogh (HR-10) plan

This is a summary for illustrative purposes only. Please refer to your Group Insurance Certificate and Master policy for complete plan details. The master contract contains controlling provisions.