



## LONG & SHORT TERM DISABILITY

► *Comprehensive plans that give you peace of mind and protection from financial hardship*

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**ADVANTAGE**  
HEALTH PLANS TRUST

# Protect your employees' income in times of need.

In the United States, a fatal injury occurs every 6 minutes and a disabling injury occurs every 2 seconds. Moreover, the cost of lost wages, medical expenses, employer costs, and other expenses related to these occurrences were equal to 59 cents of every dollar spent on food in the U.S. Off the job occurrences account for 3 out of 5 disabling injuries and account for 64% of the lost production time due to worker injuries.

As an employer, you want to be able to attract and keep high quality employees. Providing a group long term disability plan will protect their income in times of need and will assure them that you want to help them lead productive lives both on and off the job.

## Long Term Disability

### Overview

Long Term Disability (LTD) insurance covers employees who become disabled as a result of an injury or sickness for a period beginning after, and extending beyond, what is normally covered by Short Term Disability insurance. It replaces a percentage of the income employees would have earned had they been able to continue working. It protects an employee's greatest asset, the ability to earn an income. This is important to an employer as a benefit that will attract and keep good employees. In addition, it removes the administrative headaches involved with administering a salary continuance program, which includes determining when, to what degree, and for how long an employee is disabled.

### Benefit

60% of monthly covered Earnings\*, or \$10,000/month, whichever is less, minus reductions shown in Benefit Integration below. The participating employer selects from Plan 1 or Plan 2 below for their employees:

ELIMINATION PERIOD	
PLAN 1	PLAN 2
90 DAYS	180 DAYS

\*Earnings means the employee's weekly salary received the month just prior to the date of disability. Earnings does not include commissions, overtime pay, bonuses or any other special compensation not received as basic salary.

### Benefit Period

Under the ADEA-B schedule benefits are paid to age 65 for disabilities beginning at age 61 and earlier. For disabilities beginning at age 62 and older, the duration of the benefit grades from 42 months at age 62 to 12 months at age 69 and over.

### Work Incentive/Child Care Benefit

If an employee returns to work during the first 24 months of disability, we will deduct only the amount of earnings which, when added to the employee's LTD benefit, exceeds 100% of his/her pre-disability earnings. After 24 months, we will offset the LTD benefit by 50% of the return to work earnings received while the employee is still disabled.

The Child Care Expense Benefit is a feature of the Work Incentive Benefit. If there are dependent children under the age of 14, then we will add up to \$350 per child per month to the insured's covered monthly earnings when calculating the benefit amount during the work incentive benefit period.

### Integration

Other sources of income an employee receives or is eligible to receive will reduce the Group LTD benefits paid. Other sources of income that will reduce benefits include:

- Disability income benefits the employee is eligible to receive under any group insurance plan(s)
- Disability income benefits the employee is eligible to receive under any governmental retirement system, except benefits payable under a federal government employee pension benefit
- Disability income benefits the employee is eligible to receive under workers' compensation laws, occupational disease law, and any compulsory benefit law
- Wages or other compensation an employee is entitled to receive from you, excluding the amount allowable under the Rehabilitation Provision
- Commissions or monies an employee is entitled to receive from you, including vested renewal commissions but excluding commissions or monies that an employee earned prior to being disabled which are paid after the disability has begun
- That part of a disability or retirement benefit paid for by you that the employee is eligible to receive under a group retirement plan

### Worksite Modification Benefit

This is a benefit payable to you, the employer. If you make the necessary modifications to the disabled person's worksite and the person does return to work, either part-time or full-time, RSL will reimburse you. We will pay 100% of the actual and reasonable expenses paid for the modification to a maximum of \$2,000.

## Short Term Disability

### Overview

Short Term Disability, also known as Weekly Income, covers employees who become disabled as a result of an injury or sickness for a temporary period. It replaces a percentage of the income employees would have earned had they been able to continue working. A Short Term Disability Plan removes the administrative headaches associated with salary continuance and sick pay programs.

STD benefits are designed to partially offset the income a disabled employee would have earned. The total amount of income received while disabled should be less than the employee's net after-tax income while activity at work. This is because of reduced tax liabilities and decreased work-related expenses (such as commuting). It also provides some incentive for the employee to return to work (or remain at work) if medically possible.

The participating Advantage Health Plan Employer can select from four (4) different plan choices for their employees. Each plan choice has a different Elimination Period and/or Benefit Duration:

	ELIMINATION PERIOD	BENEFIT DURATION	COVERED EARNINGS
PLAN 1	7 DAYS	13 WEEKS	60% OR \$500 (WHICHEVER IS LESS)
PLAN 2	14 DAYS	13 WEEKS	
PLAN 3	30 DAYS	13 WEEKS	
PLAN 4	14 DAYS	26 WEEKS	

Elimination Period means the length of time (in a calendar days) an employee must be disabled before benefits begin. Elimination Period is waived from the first day you are hospital confined, if earlier.

Benefit Duration means the length of time benefits will be paid for any one disability.

Earnings means the employee's weekly salary received the month just prior to the date of disability. Earnings does not include commissions, overtime pay, bonuses or any other special compensation not received as basic salary.

