

# LONG-TERM DISABILITY INSURANCE BENEFITS SUMMARY



## For Employees of HonorHealth

and Foundation Staff	
<b>Eligibility Requirement</b>	You must be actively at work (able to perform all normal duties of your job) to be eligible for coverage. Coverage begins first of the month following one year of service.
<b>Minimum Work Hours</b>	You must be working a minimum of 16 hours per week to be eligible for coverage.
<b>Coverage Payment</b>	Your employer pays 100% of the premium for Core coverage, and you pay 100% of the premium for Buy-Up coverage through easy payroll deduction.
BENEFITS	
<b>Core/Buy-Up Benefits</b>	This long-term disability plan is a "Core/Buy-Up" plan. "Core" benefits offer a basic level of income protection, and are paid for by your employer. You also have the option to enroll for "Buy-Up" benefits, which allow you to increase your level of income protection, through the convenience of affordable group rates and payroll deduction of premium.
<b>Benefits Begin (Elimination Period)</b>	If you become disabled, there is an elimination period before benefits are payable. Your benefits begin 180 days after the onset of your disabling injury or illness.
<b>Monthly Benefit</b>	Your benefit is equivalent to 60% of your before-tax monthly earnings, not to exceed the plan's maximum monthly benefit amount less other income sources.  If you enroll for the <b>Buy-Up plan</b> , your total monthly benefit is equivalent to 66.67% of your before-tax monthly earnings, not to exceed the plan's maximum monthly benefit amount less other income sources.
<b>Maximum Benefit Period</b>	If you become disabled prior to age 62, benefits are payable to age 65 or your Social Security Normal Retirement Age. At age 62 (and older), the benefit period will be based on a reduced duration schedule.
<b>Maximum Monthly Benefit</b>	\$15,000
<b>Minimum Monthly Benefit</b>	\$100 / 10%
DEFINITIONS	
<b>Definition of Disability</b>	<p>Disability and disabled mean that because of an injury or illness, a significant change in your mental or functional abilities has occurred, for which you are:</p> <ul style="list-style-type: none"> <li>Prevented from performing at least one of the material duties of your regular job during the first 24 months of disability and after 24 months are unable to perform all of the material duties of your regular occupation; and</li> <li>During the first 24 months of disability are unable to generate current earnings which exceed 99% of your monthly earnings from your regular job, and after 24 months if partially disabled, are unable to generate current earnings which exceed 85% of your monthly earnings from any gainful occupation.</li> </ul> <p>For eligible employees on an approved non-FMLA Seasonal or Staffing leave, Disability means that because of an injury or sickness, a significant change in your mental or physical capacity has occurred in which you are unable to perform all of the material duties of any gainful occupation. Disability is determined relative to your ability to work. It is not determined by the availability of a suitable position with your employer. The LTD benefit is suspended during all other non-FMLA leaves of absence approved by the policyholder.</p>
<b>Definition of Monthly Earnings</b>	Monthly earnings is the average gross monthly income you receive from your employer for the month immediately prior to the onset of disability, which is used to determine your benefit in the event of a claim. Includes employee contributions to a deferred compensation plan. Does not include overtime, bonuses, employer deferred compensation contributions, or other additional pay.

<b>FEATURES</b>	
<b>Partial Disability Benefits</b>	If you become disabled and can work part-time (but not full-time), you may be eligible for partial disability benefits, which will help supplement your income until you are able to return to work full-time.
<b>Vocational Rehabilitation</b>	If you become disabled and participate in the vocational rehabilitation program, which offers services that help you return to work and ability, you will be eligible for a monthly benefit increase of 5%.
<b>Survivor Benefit</b>	If you pass away while receiving long-term disability benefits, your benefits will be provided to your beneficiaries for a period of time after your death.
<b>Waiver of Premium</b>	The premium for your long-term disability coverage is waived while you are receiving benefits.
<b>Alcohol &amp; Drug Abuse/Mental Disorders/Self Reported Conditions</b>	For disabilities related to drug and alcohol abuse, mental disorders, and self reported conditions benefits are available for up to 12 months.
<b>Portability</b>	The portability feature allows you to apply for disability insurance should your employment end, without having to provide evidence of insurability (information about your health). You will be responsible for the premium for the coverage.
<b>Continuation of Insurance for Approved Leave of Absence</b>	You may be able to continue insurance for up to 6 months from the day you are no longer actively working in the event of a non-FMLA Seasonal and/or Staffing leave of absence approved by the policyholder. Definition of disability changes to Any Gainful Occupation.
<i>Note: Additional information about the benefits and features of this plan will be included in the summary of coverage, which you will receive after enrolling, and in the certificate booklet, available from your employer. Please contact your employer if you have questions prior to enrolling.</i>	
<b>EXCLUSIONS &amp; LIMITATIONS</b>	
<b>Pre-existing Conditions Exclusion</b>	Disabilities that occur during the first 12 months of coverage due to a pre-existing condition during the 3 months prior to coverage are excluded. Prior credit applies.
<b>Other Exclusions</b>	Information about other exclusions for this plan will be included in the certificate booklet, available from your employer. Please contact your employer if you have questions prior to enrolling.

*This information describes some of the features of the benefits plan. Benefits may not be available in all states. Please refer to the certificate booklet for a full explanation of the plan's benefits, exclusions, limitations and reductions. Should there be any discrepancy between the certificate booklet and this outline, the certificate booklet will prevail. Long-term disability insurance is underwritten by Mutual of Omaha Insurance Company or United of Omaha Life Insurance Company. Mutual of Omaha Insurance Company is licensed in all 50 states. United of Omaha Life Insurance Company is licensed in all states but New York. In New York, Mutual of Omaha Insurance Company underwrites the plan. Policy Form Number 7000GM-MU-EZ 2001.*

## BUY-UP LONG-TERM DISABILITY BENEFIT AND PREMIUM CALCULATION

Calculate your benefit and premium for buy-up long-term disability coverage in the worksheet below, using the example as a guide.

<b>Benefit and Premium Calculation Example</b>	
<i>This example is for an employee earning \$42,000 a year.</i>	
A. Enter your annual salary	\$42,000.00
B. Monthly Benefit percentage 66.67%	.6667
C. Multiply "A" times "B"	\$28,001.40
D. Divide "C" by 12	\$2,333.45
E. Enter the Maximum Monthly Benefit for the Base and Buy-Up plan	\$15,000
F. Enter the lesser of "D" or "E"; This is your benefit amount. Maximum Base and Buy-up cannot exceed \$15,000. If your Base exceeds \$15,000 then there is no buy-up option.	\$2,333.45
G. Divide "F" by .6667	\$3,500.00
H. Multiply "G" times \$.0041	\$14.35
I. Divide by 2; This is your premium (cost per paycheck)	\$7.18

<b>Benefit and Premium Calculation Worksheet</b>	
A. Enter your annual salary*	
B. Monthly Benefit percentage 66.67%	.6667
C. Multiply "A" times "B"	
D. Divide "C" by 12	
E. Enter the Maximum Monthly Benefit for the Buy-Up plan	\$15,000
F. Enter the lesser of "D" or "E"; This is your benefit amount	
G. Divide "F" by .6667	
H. Multiply "G" times \$.0041	
I. Divide by 2; This is your premium (cost per paycheck)	

\* If you are uncertain what your current annual salary is, please consult your employer.

### To enroll for long-term disability coverage:

Enter the amount from line "I" in your worksheet into the Buy-Up Long-Term Disability Benefit Amount section on your enrollment application.