

Disability Program Enrollment Packet

TO: Shrewsbury Public School Employees
FROM: Susan Rapp & Christine Fowler, Payroll Office
DATE: Fiscal 2020
RE: Group Disability Program

Our Disability program is designed to pay monetary benefits (60% of your salary tax free) for extended periods of time (to age 65 or beyond) when an injury or illness prevents you from earning an income. In essence, it is income replacement insurance or “**paycheck insurance**”.

All employees in our schools have some form of sick leave accrual, which allows for some compensation due to brief incapacitation. However, once the accrued time is exhausted there are limited opportunities for extended illness leave.

Employees who sign up for the program when first eligible may do so on a guaranteed issue basis. This is very important as employees can enroll in the program ***without*** having to complete a medical evidence of insurability (EOI) questionnaire. If you decide against electing coverage in this one time offering and wish to sign up later, you are not guaranteed coverage in the plan. We encourage all employees to consider taking advantage of this benefit.

Enclosed you will find an outline of our program’s benefits and costs as well as an enrollment form. If you have any questions about our LTD plan, please feel free to contact our consultant at Mosse & Mosse Associates, Brian Fitzgerald, at 781-224-1709 x139 or email him at brf@mosseservices.com. He will be happy to go over the program with you in more detail and answer any questions you may have.

**All forms should be returned to Susan Rapp or Christine Fowler
in the District Payroll Office within 30 days of your hire date.**



**Shrewsbury Public Schools
Long Term Disability Program Outline
FY 2020**

- *Guaranteed Issue. The benefit is a guaranteed issue product, meaning if you sign up during this open enrollment, you cannot be denied access to the plan for any reason. However, if you do not elect the coverage during the open enrollment and then wish to join the plan at a later date, you have to prove evidence of insurability and you may be denied access to the plan.*
- Benefit: 60% of gross pay to a maximum of \$6,000 per month. All benefits will be paid tax free, both federal and state, because the employees are paying the premium.
- **Elimination Period: Either 30 or 90 Calendar days.** This is the length of time that one has to be out of work before collecting benefits. Employees can choose either a 30 day or 90 day elimination period on the attached enrollment form.
- Benefit Duration: benefits payable for disability to age 65/SSNRA (age 60 and older follow ADEA schedule, see attached).
- Exclusions:
 - Intentional self-inflicted injury
 - War, declared or undeclared, or any act of war
 - Active participation in a riot, rebellion or insurrection
 - Committing or attempting to commit an assault, felony or other illegal act
- Two year limitation on benefits for:
 - Outpatient drug and alcohol abuse
 - Outpatient mental and nervous disorder
- Residual/Partial Benefit: During elimination and benefit period, an employee showing a 20% or greater earnings loss due to disability is benefit eligible. In the elimination period, the days worked on partial basis count towards fulfillment of period. After the elimination period, employee will receive partial benefits not to exceed 100% of pre-disability earnings.
- Integration/Minimum benefit: plan offsets with workers' compensation social security and disability retirement awards. Minimum benefit is \$100 per month.
- Own Occupation to age 65/SSNRA. This is the definition of disability and states when an individual is considered disabled. This definition states that an individual is disabled if he or she is unable to perform one of the material and substantial duties of his or her own occupation.
- **3/12 pre-existing condition clause.** Benefits will not be paid for any disability which begins in the first 12 months of being insured which is due to, or results from, a pre-existing condition. A pre-existing condition is a sickness or injury for which the employee has received treatment, took prescribed drugs or medicines, or consulted a physician during the 3 months prior to the employee's effective date of coverage.

When do potential benefit payments begin?

We have two elimination period options for our staff, either 30 calendar days or 90 calendar days. The elimination period is the length of time that an employee would need to be out before they are eligible to apply for benefits.

How much does the plan cost?

The rates for our program are the most competitive in the marketplace for the benefits in our contract.

Age Band	Rates with 30 Day Elimination Period	Rates with 90 Day Elimination Period
< 24	\$0.19	\$0.14
25-29	\$0.52	\$0.20
30-34	\$0.52	\$0.24
35-39	\$0.54	\$0.32
40-44	\$0.70	\$0.44
45-49	\$0.99	\$0.68
50-54	\$1.33	\$0.97
55-59	\$1.49	\$1.16
60-64	\$2.60	\$1.25
65-69	\$3.40	\$1.21

Formula for individual cost:

Annual Salary / \$100 x Rate = Annual Premium

Annual Premium / pay period = Cost/pay

Cost Example: Age 45, earning \$50,000, 90 Day Elimination Period Plan:

$\$50,000 / \$100 \times \$0.68 = \340.00 Annual Cost

$\$340 / 26 \text{ pays} = \13.08 per pay period

How do I sign up?

If you wish to take advantage of this coverage, please complete the enrollment form by filling out your name, date of birth, check "yes" under acceptance for the plan you would like to enroll in, and sign the bottom of the form.

If you have any questions about the program or would like some additional information, please feel free to contact our consultant at Mosse & Mosse Associates, Brian Fitzgerald, at 781-224-1709 x139 or email him at brf@mosseservices.com.

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Maximum Benefit Duration Schedule

Duration of Benefit Schedule - SSNRA

<u>Year of Birth</u>	<u>Normal Retirement Age</u>
Before 1938	Age 65
1938	Age 65 and 2 months
1939	Age 65 and 4 months
1940	Age 65 and 6 months
1941	Age 65 and 8 months
1942	Age 65 and 10 months
1943 through 1954	Age 66
1955	Age 66 and 2 months
1956	Age 66 and 4 months
1957	Age 66 and 6 months
1958	Age 66 and 8 months
1959	Age 66 and 10 months
After 1959	Age 67

Duration of Benefit Schedule – ADEA

<u>Age at Disablement</u>	<u>Duration of Benefit</u>
Age 65 but before 68	24 months of disability
Age 68 but before 70	18 months of disability
Age 70 but before 72	15 months of disability
Age 72 or more	12 months of disability

*Maximum Benefit Period is SSNRA or ADEA whichever is greater

Employee Application



Group policy			Employer		
Employee name (<i>last, first, initial</i>)					Employee date of birth Month Day Year
Sex <input type="checkbox"/> M <input type="checkbox"/> F			Annual Salary		
Job title or position					

Acceptance

Option #1: 30 calendar day elimination period

Yes, I would like to participate in the Voluntary Group Long Term Disability Insurance plan with the **30 calendar day elimination period**. I understand I must be actively at work on the effective date.

Option #1: 90 calendar day elimination period

Yes, I would like to participate in the Voluntary Group Long Term Disability Insurance plan with the **90 calendar day elimination period**. I understand I must be actively at work on the effective date.

Refusal

No, I do not wish to participate in the Voluntary Group Long Term Disability Insurance plan.

IMPORTANT NOTICE TO APPLICANTS—PLEASE READ CAREFULLY

My signature on this application certifies that I:

- 1.) Apply for the coverages designated for which I am eligible under my employer's plan with Union Security Insurance Company.
- 2.) Understand if coverages have been refused, I am not entitled to benefits under those coverages and that if I want to apply later, I must furnish at my own expense proof of good health satisfactory to Union Security Insurance Company.
- 3.) Authorize any required deductions from my earnings.
- 4.) Represent that all of the information on this application is complete, correct and true to the best of my knowledge and belief.
- 5.) Understand that I must be actively at work the number of hours specified in my policy/participation agreement to remain insured.
- 6.) When necessary, I may be asked to execute a HIPAA authorization form, allowing Union Security Insurance Company to use and disclose protected health information.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

This will certify that I HAVE read and understand the above important notice.

Signature _____ Date _____