

## North Middlesex Regional School District Long Term Disability Program Outline

- **Guaranteed Issue.** *The benefit is a guaranteed issue product during the first 30 days of employment, meaning if you sign up during this period you cannot be denied access to the plan for any reason. However, if you do not elect the coverage in this period 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. All new enrollees will be subject to our plan's pre-existing condition clause highlighted below.*
- **Benefit: 60% of gross pay to a maximum of \$9,000 per month.** All benefits will be paid income tax free, both federal and state, because the employees are paying the premium.
- **Elimination Period: 90 Calendar days.** This is the length of time that one has to be out of work before collecting benefits.
- **Benefit Duration:** benefits payable for disability to age 65 / SSNRA / ADEA (age 60 and older follow ADEA schedule, see attached).
- **Exclusions:**
  - Intentional self-inflicted injury
  - War, declared or undeclared, or any act of war
  - 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 other income including: workers' compensation, social security and disability retirement awards. Minimum benefit is \$100 per month.
- **Extended Own Occupation Protection.** 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 the material and substantial duties of his or her own occupation.
- **3% Cost of Living Adjustment (COLA)** each year for a maximum of 5 annual adjustments
- **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.

### *How much does the plan cost?*

The rate for our plan is the most competitive in the marketplace for the benefits in our contract. The rate is \$0.64 per \$100 of income and each employee will have the same rate regardless of age or salary. Below are several examples of the costs associated with our plan but the actual cost will be tailored specifically to each employee's individual annual salary.

Annual Salary	Annual Cost	Cost Per Pay Period (24 pays)
\$20,000.00	\$128.00	\$5.33
\$30,000.00	\$192.00	\$8.00
\$40,000.00	\$256.00	\$10.67
\$50,000.00	\$320.00	\$13.33
\$60,000.00	\$384.00	\$16.00
\$70,000.00	\$448.00	\$18.67
\$80,000.00	\$512.00	\$21.33
\$90,000.00	\$576.00	\$24.00

Formula for cost per pay period: Annual Salary x \$0.0064 / Number of Pay Periods

Example of an Employee earning \$50,000 with 24 pay periods:

1.  $\$50,000 \times \$0.0064 = \$320.00$
2.  $\$320 / 24 \text{ pay periods} = \$13.33 \text{ per pay period}$

### *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 and sign the bottom of the form. If you do not choose to enter the program, simply check "no" under refusal and sign the bottom of the form.

If you have any questions about our LTD plan, please feel free to contact our consultant at Mosse & Mosse Associates, Brian Fitzgerald, at 781-342-1198 or [brf@mosseservices.com](mailto: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 completed forms should be returned to the Human Resources Office within the first 30 days of your employment.**

## **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