

## Long Term Disability Program New Hire Enrollment Packet

TO: North Middlesex Regional School District New Hires

FROM: Anne Marie Tucciaroni-Mahan, Human Resources

RE: Long Term Disability Program Enrollment Packet

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The North Middlesex Regional School District is pleased to offer to its employees a Group Long Term Disability Program, provided through SunLife Financial. The program is designed to pay monetary benefits (60% of your salary income tax free) for extended periods of time when an injury or illness prevents you from earning an income. In essence, it is income protection 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. This program is completely voluntary and employees pay 100% of the premium of the plan in order to keep any potential benefit income tax free. Attached is a detailed outline of the benefits and of our LTD program.

Please note that new hires have 30 days from their first date of employment to enroll in the LTD program on a guaranteed issue basis. This means there is no medical questionnaire or physical required to enroll in these programs during this period. If you decide not to enroll during your first 30 days of employment and wish to apply at a future date, you will be required to provide evidence of insurability and are not guaranteed a policy.

**All completed forms, including enrollees as well as those that are declining coverage, should be returned to the Human Resources Office during your first 30 days of employment.**



## **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 \$10,500 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 \$0.00706 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 (26 pays)	Cost Per Pay Period (21 pays)
\$20,000	\$141.20	\$5.43	\$6.72
\$30,000	\$211.80	\$8.15	\$10.09
\$40,000	\$282.40	\$10.86	\$13.45
\$50,000	\$353.00	\$13.58	\$16.81
\$60,000	\$423.60	\$16.29	\$20.17
\$70,000	\$494.20	\$19.01	\$23.53
\$80,000	\$564.80	\$21.72	\$26.90
\$90,000	\$635.40	\$24.44	\$30.26

Formula for cost per pay period: Annual Salary x \$0.00706 / Number of Pay Periods

Example of an Employee earning \$50,000 with 26 pay periods:

1.  $\$50,000 \times \$0.00706 = \$353.00$
2.  $\$353.00 / 26 \text{ pay periods} = \$13.58 \text{ per pay period}$

### *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

# Sun Life Assurance Company of Canada

## Group Enrollment Form

Employer Name	Policy Number 906650	Current Active Employment Type <input type="checkbox"/> Full Time <input type="checkbox"/> Part Time	Occupation (Title)
Employee's Full Legal Name (First, MI, Last)	<input type="checkbox"/> Male <input type="checkbox"/> Female	Date of Birth	Annual Salary

Please elect or refuse coverage below during this special one time open enrollment period by placing a check mark in the appropriate box. All employees must be actively at work and not on any leave of absence to enroll in the program.

**Long Term Disability Plan**       I Elect     I Refuse

**Note:** Medical Evidence of Insurability will be required for any employee who applies for coverage more than 31 days past his/her eligibility date and later requests to be covered. Medical Evidence of Insurability is obtained at the employee's expense.

By signing below, you are verifying that the information you have provided is true and correct, and that you have read and understand the fraud warning on the reverse side.

X

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Today's Date

**You must sign and date this form to become covered.**

**Employees:** Make a copy of of this form for your records before submitting it to your employer.

**Employers:** This original enrollment form should remain at the employer's site. Family status, coverage or beneficiary changes should be recorded on another enrollment form.