



# Voluntary Long Term Disability Income Protection

Long Beach Medical Clinic

## Benefits & Cost Summary Voluntary Long Term Disability Income Protection Insurance

**PREPARED FOR:** Long Beach Medical Clinic

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### Unum's Group Long Term Disability Income Protection Offering is designed to help the employer:

- Provide sound financial protection in the event of a disability
- Increase productivity and performance
- Meet diverse employee needs at every life stage
- Attract and retain skilled employees

This proposal for Voluntary Long Term Disability Income Protection Insurance coverage includes all active full-time employees working 30 hours per week in the United States with the employer.

**Number of Eligible Employees:** 112

### **Plan Description:**

**Proposed coverage effective date:** January 1, 2010

**Maximum Monthly Benefit:** 60% of monthly earnings to a maximum benefit of \$10,000 per month.\*

**Definition of Disability:**

- 2 Year Usual Occupation
- Zero-Day Partial
- Work Incentive Benefit during the first 12 months of disability payments while working.

Recognizes the employees profession!

**Note:** For policies issued to California based employers, partial disability means no period of total disability is required to satisfy the elimination period or to receive disability benefits.

**Elimination Period:**

- 180 Days
- 30 Day Accumulation Feature

**Benefit Duration:** To age 65/Reducing Benefit Duration (ADEA I)

**Social Security Integration:** Primary and family



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The employees "annual" income, and age, determine the premium and the monthly benefit

## Rates and Cost Information:

### Step Rates per \$100 of covered payroll

Age	Rate
15-24	\$0.20
25-29	\$0.32
30-34	\$0.52
35-39	\$0.77
40-44	\$1.03
45-49	\$1.49
50-54	\$2.04
55-59	\$2.48
60-64	\$2.40
65-69	\$2.88
70+	\$3.32

**Rate Guarantee:** 2 Year(s)

For purposes of calculating benefits and cost, an employee's "monthly earnings" is assumed to mean: gross monthly income before taxes, including any pre-tax contributions to a deferred compensation plan, **excluding** commissions, bonuses, overtime pay or other extra compensation.

**Cost of Coverage Paid By:** Employees (Rate assumes 25% participation)

**Minimum Participation:** The greater of 15 employees or 25% of those eligible.

## General Information Regarding Benefit Taxability and Integration:

In general, the LTD monthly payment will be taxable:

- If the Employer pays the premiums and employees' salaries are not grossed-up to include premiums as taxable income.
- If the Employees pay premiums with **pre-tax** dollars.
- If Employees share payments of premiums with the employer, a portion of the benefits will be taxed.

In general, the LTD monthly payment will not be taxable:

- If Employees pay premiums with **post-tax** dollars.
- If the Employer pays the premiums and employees' salaries are grossed-up to include premiums as taxable income.

The LTD monthly payment may be reduced by amounts the employee receives from Benefit Reductions (offsets) and disability earnings.

## Standard Plan Features Included in Quote:

- Work-life balance employee assistance program
- Worldwide emergency travel assistance
- HR®/BenefitsAnswersNow™
- 3 Month Lump-Sum Accelerated Survivor Benefit
- Minimum Monthly Benefit - greater of \$100 or 10% of the gross disability payment
- Comparative Reporting & Analysis



## **Voluntary Long Term Disability Income Protection**

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### **Coverage Exclusions and Limitations:**

#### **Limitations:**

- 24 months Mental Illness Limitation

#### **Exclusions:**

- 12/12/24 Pre-Existing Condition\*
- Intentionally self-inflicted injuries
- Active participation in a riot
- Loss of Professional License, Occupational License or Certification
- Commission of a felony for which the employee has been convicted
- War, declared or undeclared, or any act of war

#### **\* A "Pre-Existing Condition" means the insured employee:**

- received medical treatment, care or services for a diagnosed condition, or took prescribed drugs or prescribed medicines for that condition in the 12 months immediately prior to his/her effective date of coverage; and
- the disability resulting from that condition begins in the first 24 months after the employee's effective date of coverage unless they have been treatment free for 12 months after his/her effective date of coverage.

### **Coverage Termination:**

An employee's coverage under the plan will end on the earliest of:

- the date the policy or a plan is cancelled;
- the date the employee is no longer in an eligible group;
- the date the employee's eligible group is no longer covered;
- the last day of the period for which the employee made any required contributions; or
- the last day the employee is in active employment, unless they are absent due to a covered layoff or leave of absence.

### **Superior Administrative Support Features Included in Quote:**

- **Simplified** administration of group benefits through secured online tools:
  - Flexible plan administration and billing services
  - Easy access to frequently used forms
  - Claims information plan administrators need to assist employees and their families
  - Information and tools on industry leading absence management programs
  - A robust resource center filled with reference materials that enable plan administrators to be responsive to employee questions and industry information
  - Convenient online options of viewing or downloading your group insurance policy and employee certificate booklets
- Superior Benefits Center Service Standards
- Centralized toll-free Service Center for general inquiries
- Local Field Office Implementation Support
- Electronic Distribution of employee booklets - standard delivery
- Internet list bill and self accounting options
- Integrated with Life Premium Waiver when sold with Unum Life plan
- Compliance with ERISA reporting and disclosure requirements