

# Voluntary Supplemental Long Term Disability Plan

**Southern Illinois  
University at  
Edwardsville  
#50182**



# Get Peak Protection for You and Your Family.



## Help protect your most valuable asset...your income.

A quality income protection insurance plan may be the single most important coverage an employee can have to help protect against the loss of the ability to work and earn an income.

While nearly everyone has auto and homeowner's insurance, many people probably have not insured their most valuable asset...their paycheck. Would you and your family be able to keep your home, auto, and other prized possessions, and be able to pay your bills if you stopped receiving your paycheck? If you're like most people, you wouldn't be able to meet your financial obligations if you were disabled and unable to work for an extended period of time.

SURS provides a base of disability coverage—a voluntary supplement is required to make coverage comparable to a corporate plan of benefits. Now you have an opportunity to enroll in a disability insurance plan that will help provide the peak protection you need to safeguard your lifestyle and provide you and your family with greater peace of mind.

## Advantages of participating in this Voluntary Supplemental Long Term Disability (LTD) Plan include...

**Economical Group Rates**—which are typically lower than individual rates.

**Convenient Payroll Deductions**—so there are no checks to write or remember to mail.

**Disability Benefits Not Subject to Income Tax**—when premiums are paid with employee after-tax dollars.

**Partial Income Replacement**—when you are unable to work due to sickness, injury, or pregnancy.

**Helpful Assistance in Returning to Work**—through rehabilitation programs, worksite modifications, and benefits while working.



## How do I become eligible to enroll for coverage?

Your coverage begins when you are actively at work. Each active full-time employee or faculty-staff member who is (a) a participant in the SURS, and (b) a continuing employee with an appointment of 50% time or more; or an employee with a term contract with an appointment of 50% time or more for at least nine months, is eligible.

You are covered under the terms of the plan on the date you are in active employment, working at least 18.75 hours per week or you are on an eligible temporary absence.

## How long is my benefit period?

The longest period of time that payments can be made for any one period of disability may be up to age 65 or your normal retirement age under the Social Security Act, but not less than 60 months. If disabled at or after age 65, benefits are payable according to an age-based schedule.

## When will my benefits begin?

Your LTD benefit becomes payable after you have been continuously disabled through the elimination period, which is the greater of 90 days or the exhaustion of accumulated sick leave. This period can be satisfied with days of total or partial disability or a combination of both.

## What will my benefits be?

Your monthly LTD benefits will be 66.67% of your monthly pre-disability earnings, less deductible sources of income and disability earnings, up to a maximum monthly benefit of \$12,000. The minimum monthly benefit is \$100.

This plan includes several benefits that could be important to you and your family:

**Catastrophic Disability Benefit**—This benefit is available if you are unable to perform at least two activities of daily living or have severe cognitive impairment that requires substantial supervision. This benefit provides 20% of your monthly earnings, up to \$12,000, and it will not be reduced by deductible sources of income.

**Critical Illness Benefit**—This benefit is available if you have an illness such as heart attack, life-threatening cancer, major organ or tissue transplant, renal failure, or stroke. It provides you with an additional monthly benefit of 10% of your monthly earnings, up to a maximum of \$1,000. This benefit will not be reduced by other sources of income if your long-term disability is caused by a critical illness.

**Survivor Benefit**—This benefit provides a lump sum benefit, equal to six months of your gross disability payment, to your eligible survivor when Prudential receives proof that you have passed away.

## What are deductible sources of income?

Deductible sources of income include benefits from SURS, statutory plans, Social Security to you and your dependents, workers' compensation, and other sources.

## When am I considered disabled?

You are considered disabled when, because of injury, sickness, or pregnancy, you are unable to perform the material duties of your regular occupation and your disability results in a loss of income of at least 20%. After receiving benefits for 60 months, you may continue to receive benefits if you are unable to perform the material duties of any gainful occupation for which you are reasonably fitted by education, training, or experience.

## What if I'm still disabled and attempt to return to work part-time... would my benefits continue?

Yes. The Voluntary Supplemental Long Term Disability plan allows you to remain eligible for benefits while you are working part-time and are still disabled. Your monthly benefits may be reduced by a portion of your disability earnings.

## What does the SURS disability plan pay if I'm disabled?

The amount of SURS disability benefit will be the greater of (1) 50% of your basic compensation on the day you became disabled or (2) 50% of your average earnings for the 24 months prior to the date you became disabled. The SURS disability benefit is taxable\*. It is paid until you have received 50% of your earnings while a participant of SURS. You must re-qualify for the 35% Disability Retirement Allowance (DRA) which is also taxable\*. To qualify, you must be unable to perform any gainful occupation. For additional information, see your SURS Member Guide.

**Voluntary Supplemental LTD benefits are tax-free\* and they supplement SURS disability or DRA benefits. They pay a benefit when SURS does not pay, provided you have qualified for disability.**

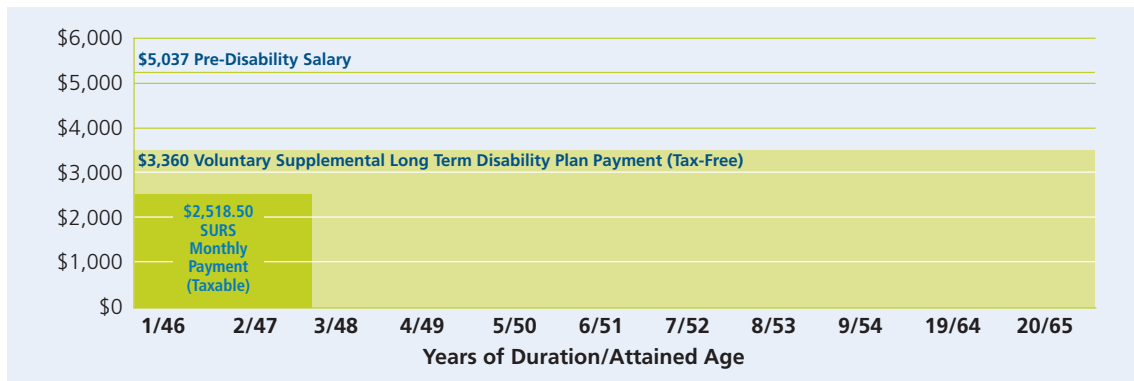
\*Based on the current IRS tax code.

See the Booklet-Certificate issued by The Prudential Insurance Company of America for coverage details.

## Example of Benefit Payments to a Totally Disabled SURS Employee

<b>Employee</b>	45-Year-Old Employee, Totally Disabled
<b>Annual Salary</b>	\$60,444
<b>Monthly Salary</b>	\$5,037
<b>Months of Employment</b>	48 months
<b>SURS</b>	50% (before tax) of monthly salary up to 50% of total SURS earnings, less deductible sources of income.
<b>(SURS) Monthly Disability Benefit</b>	Two years of SURS service credit are required to be eligible*, and benefits commence the later of exhaustion of sick days or 60-day elimination period.  *2-year service requirement is waived in the event of a job-related accident.  <b>In this example, \$2,518.50 is payable until you've received 50% of your earnings under SURS.</b>
<b>Disability Retirement Allowance (DRA) Monthly Disability Benefit</b>	35% (before tax) of monthly salary to age 65. <b>In this example, \$1,762.95 is payable to age 65, assuming continuation of total disability.</b>
<b>Voluntary Supplemental LTD Benefit</b>	66.67% (tax-free) of monthly pre-disability earnings to age 65 after a 90-day elimination period.  <b>In this example, \$3,360 is payable monthly to age 65, reduced by SURS disability or DRA (if payable), assuming continuation of total disability.</b>

## Monthly Benefit (\$) when Totally Disabled



For Illustrative Purposes Only.

## If this employee partially recovers...

(thereby not qualifying for DRA benefits), SURS would pay 50% (before tax) of salary for approximately 2½ years, at which point benefits would end because the employee doesn't qualify for DRA continuation. LTD benefits would supplement the SURS payment up to 66.67% (tax-free) of pre-disability earnings, and then continue up to age 65 or normal Social Security retirement age.

## Are any disabilities excluded from coverage?

Yes. You are not covered for a disability caused by war or any act of war, an intentionally self-inflicted injury, active participation in a riot, and commission of a crime for which you have been convicted.

Benefits are not payable for any period of incarceration as a result of a conviction.

During the first 24 months of coverage, no LTD benefits will be paid for a disability that is due to a pre-existing condition. A pre-existing condition is an injury or sickness for which you received medical treatment, consultation, care, or services, including diagnostic measures; took prescribed drugs or medicines; or followed treatment recommendations during the six (6) months prior to your effective date of coverage. But, a condition will no longer be considered a pre-existing condition if, after the date your coverage under the plan becomes effective, there is a period of six (6) months or more during which you do not receive medical treatment, consultation, care, or services, including diagnostic measures; take prescribed drugs or medicines; or follow treatment recommendation for that condition. The pre-existing condition provision also applies if you did not consult a physician when an ordinarily prudent person would have.

## Are any disabilities limited in coverage?

Yes. Disabilities due to mental illness may have a limited pay period of 24 months during your lifetime. Examples of mental illness include schizophrenia, depression, manic depressive or bipolar illness, anxiety, somatization, substance related disorders (including drug and alcohol abuse), and/or adjustment disorders. Disabilities with a limited pay period do not extend the maximum period of benefits.

## Do I have to pay premiums if I am disabled?

No. While you are collecting disability benefits, you do not have to pay premiums.

## Do I need to answer any medical questions or be examined by a doctor to enroll?

There are no medical questions or physical examinations required to enroll for this coverage at open enrollment or within 60 days of employment. However, coverage is subject to a pre-existing condition exclusion.

## Can I convert my coverage if I leave my present employment?

Yes. If your employment ends for reasons other than retirement, you may convert your disability plan to the Prudential Conversion Trust plan. You must have been covered for LTD for at least 12 consecutive months, not be disabled, and be less than age 70.

## What is the cost for this plan?

**The cost is based on your age. Follow the steps below to calculate your total monthly LTD cost.**

**Step 1:** Indicate your annual salary. \$\_\_\_\_\_

**Step 2:** Divide your annual salary by 12 to get your monthly salary. \$\_\_\_\_\_

**Step 3:** Multiply your monthly salary by .6667. (66.67% Scheduled Benefit) \$\_\_\_\_\_

**Step 4:** The maximum monthly benefit is \$12,000. If the amount in Step 3 is greater than \$12,000, indicate \$12,000 here. Otherwise, indicate the amount in Step 3. \$\_\_\_\_\_

**Step 5:** Multiply the amount in Step 4 by the rate coinciding to your age and divide by 100.

Age	Rate
To age 24	\$0.210
25-29	\$0.254
30-34	\$0.307
35-39	\$0.385
40-44	\$0.560
45-49	\$0.928
50-54	\$1.253
55-59	\$1.428
60-64	\$1.480
65-69	\$1.856
70+	\$2.128

**Total Monthly Cost\*** \$\_\_\_\_\_

\*Rates are effective September 1, 2009. All changes of premium due to age and/or salary level will occur on the policy anniversary date of each year.

Rates are subject to change based on plan experience.

## Enroll for This Valuable Insurance TODAY!

To enroll, complete the Enrollment Form and return it to the Human Resources Department on your campus. After your LTD insurance becomes effective, you will receive a Booklet-Certificate which details your plan provisions.

This brochure is a summary of benefits. It does not include all plan provisions, exclusions, and limitations. Availability of provisions and services may vary. A Booklet-Certificate with complete plan information will be provided. If there is a discrepancy between this document and the Booklet-Certificate issued by Prudential, the terms of the Booklet-Certificate will govern.

Group Long Term Disability Insurance coverage is issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102. Disability Support: 800-290-5903. (Contract Series: 83500)

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