

# Short Term Disability



## MetLife

### Town of Littleton Plan Benefits

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Original Plan Effective Date: July 01, 2011

*Explore the coverage that helps you protect your income and your lifestyle.*

#### **What is Short Term Disability Insurance?**

Short-Term Disability (STD) insurance can help replace a portion of your income during the initial weeks of a disability to help you pay your bills and help maintain your current lifestyle. It helps by protecting you, and your income if a sickness or accidental injury kept you from working. The plan is being made available to you through your employer and with the convenience of payroll deduction.

#### **Why do I Need Short-Term Disability Insurance?**

While most people insure their lives and other material assets like homes or automobiles, many overlook the need to protect one of their most valuable assets - **their ability to work and earn a living.**

When Disability strikes, your ability to earn an income becomes interrupted, however, your monthly bills continue. Would you be adequately prepared to cover present and future financial obligations if you were to fall sick or become disabled and not able to work for a short period?

#### **Consider the Following...**

- **62% of employees are extremely concerned about the ability to pay bills during a sudden income loss.<sup>1</sup>**
  - **Almost half (45%) of employees surveyed in MetLife's 8<sup>th</sup> Annual Employee Benefits Trends Study said they live paycheck to paycheck.<sup>1</sup>**
  - **Over 51 million Americans are classified as disabled, representing 18% of the population.<sup>2</sup>**

#### **Eligibility Requirements**

All active full-time employees working at least 20 hours per week are eligible to participate.

#### **How is "Disability" Defined Under The Plan?**

Generally, you are considered disabled and eligible for short term benefits if, due to sickness, pregnancy or accidental injury, you are receiving appropriate care and treatment and are complying with the requirements of treatment and you are unable to earn more than 80 % of your predisability earnings at your own occupation.

For a complete description of this and other requirements that must be met, refer to the Certificate of Insurance/Summary Plan Description provided by your Employer.

#### **What is the Benefit Amount?**

You select the amount of weekly benefit that is right for you. Choose any weekly benefit amount in increments of \$50 per week, subject to a minimum of \$100. The maximum benefit amount is 60% of your gross weekly earnings or \$ 1,000 , whichever is less, (rounded down to next \$50 increment).

#### **When do Benefits Begin and How Long do They Continue?**

Benefits begin after the end of the elimination period. The elimination period begins on the day you become disabled and is the length of time you must wait, while disabled, before you are eligible to receive a benefit. The elimination periods are as follows:

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**For Injury:** 14 days.

**For Sickness (includes pregnancy):** 14 days.

Benefits continue for as long as you are disabled up to a maximum duration of 24 week(s) of disability.

### What is the Monthly Premium?

To determine your premium, refer to the chart below that shows monthly premium for all ages and each amount. Premiums are based on your current age as of the effective date of coverage. At each policy anniversary, future costs will change as your age increases. **Please note, the maximum benefit amount cannot exceed 60% of your gross weekly earnings or \$1,000, whichever is less, (rounded down to the next \$50 increment).**

Monthly Premiums for STD									
Weekly Benefit	Employee's Age								
	< 30	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	65 +
\$100	\$6.50	\$6.50	\$6.50	\$6.50	\$6.10	\$7.10	\$9.40	\$10.70	\$10.90
\$150	\$9.75	\$9.75	\$9.75	\$9.75	\$9.15	\$10.65	\$14.10	\$16.05	\$16.35
\$200	\$13.00	\$13.00	\$13.00	\$13.00	\$12.20	\$14.20	\$18.80	\$21.40	\$21.80
\$250	\$16.25	\$16.25	\$16.25	\$16.25	\$15.25	\$17.75	\$23.50	\$26.75	\$27.25
\$300	\$19.50	\$19.50	\$19.50	\$19.50	\$18.30	\$21.30	\$28.20	\$32.10	\$32.70
\$350	\$22.75	\$22.75	\$22.75	\$22.75	\$21.35	\$24.85	\$32.90	\$37.45	\$38.15
\$400	\$26.00	\$26.00	\$26.00	\$26.00	\$24.40	\$28.40	\$37.60	\$42.80	\$43.60
\$450	\$29.25	\$29.25	\$29.25	\$29.25	\$27.45	\$31.95	\$42.30	\$48.15	\$49.05
\$500	\$32.50	\$32.50	\$32.50	\$32.50	\$30.50	\$35.50	\$47.00	\$53.50	\$54.50
\$550	\$35.75	\$35.75	\$35.75	\$35.75	\$33.55	\$39.05	\$51.70	\$58.85	\$59.95
\$600	\$39.00	\$39.00	\$39.00	\$39.00	\$36.60	\$42.60	\$56.40	\$64.20	\$65.40
\$650	\$42.25	\$42.25	\$42.25	\$42.25	\$39.65	\$46.15	\$61.10	\$69.55	\$70.85
\$700	\$45.50	\$45.50	\$45.50	\$45.50	\$42.70	\$49.70	\$65.80	\$74.90	\$76.30
\$750	\$48.75	\$48.75	\$48.75	\$48.75	\$45.75	\$53.25	\$70.50	\$80.25	\$81.75
\$800	\$52.00	\$52.00	\$52.00	\$52.00	\$48.80	\$56.80	\$75.20	\$85.60	\$87.20
\$850	\$55.25	\$55.25	\$55.25	\$55.25	\$51.85	\$60.35	\$79.90	\$90.95	\$92.65
\$900	\$58.50	\$58.50	\$58.50	\$58.50	\$54.90	\$63.90	\$84.60	\$96.30	\$98.10
\$950	\$61.75	\$61.75	\$61.75	\$61.75	\$57.95	\$67.45	\$89.30	\$101.65	\$103.55
\$1,000	\$65.00	\$65.00	\$65.00	\$65.00	\$61.00	\$71.00	\$94.00	\$107.00	\$109.00

### Answers to Some Important Questions...

#### Q. Are my benefits taxable?

**A.** If you pay your premium with after-tax dollars, your benefit in the event of a disability would be tax free. Taxation of benefits can occur if all or a portion of the benefit is paid for with pre-tax contributions<sup>3</sup>.

#### Q. Can I return to work part-time and still receive benefits?

**A.** Yes. As long as you are disabled and meet the terms of your Disability plan, you may qualify for adjusted Disability benefits.

Your plan also offers financial incentives designed to help you to return to work when appropriate, even on a part-time basis.

While disabled, you may receive up to 100% of your predisability earnings when combining benefits, Rehabilitation Incentives (if any), other income sources such as state-mandated benefits, and part-time earnings.

Your plan also offers Rehabilitation Incentives. With the Rehabilitation Incentive you can get a 10% increase in your weekly benefit if you participate in a Rehabilitation Program while you are disabled.

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Your plan also offers Moving Expenses Incentives. If you participate in a Rehabilitation Program while you are disabled, we may reimburse you for expenses you incur in order to move to a new residence recommended as part of the Rehabilitation Program. Expenses must be approved in advance.

Your plan also offers Family Care Incentives. Following the 4th week of return to work the Family Care Incentive provides reimbursement up to \$100 per week for eligible expenses, such as child care.

### **Q. Are there any exclusions for pre-existing conditions?**

**A.** Yes. Your plan may not cover a disability that is caused by a pre-existing condition. A pre-existing condition means a sickness or accidental injury for which you claim disability in the first 12 months of being actively at work following your effective date of coverage and you:

- received medical treatment, consultation, care, or services;
- took prescription medications or had medications prescribed; or
- had symptoms or conditions that would cause a reasonable prudent person to seek diagnosis, care or treatment in the 3 months before your insurance under this certificate takes effect.

A complete description of the pre-existing condition exclusion is included in the Certificate of Insurance/Summary Plan Description provided by your Employer.

### **Q. Does my benefit have any offsets?**

**A.** Yes. The STD benefit replaces a portion of your predisability earnings, less the income that was actually paid to you for the same Disability from other sources<sup>4</sup> (e.g., state-mandated benefits, no-fault auto laws, sick pay, Workers' Compensation, etc.)

### **Q. Are there any other limitations or exclusions to my coverage?**

**A.** Yes. No payment will be made for any disability caused or contributed to by:

- War, whether declared or undeclared, or act of war, insurrection, rebellion or terrorist act;
  - Active participation in a riot;
  - Intentionally self-inflicted injury or attempted suicide;
  - Commission of or attempt to commit a felony.
- In addition, no payment will be made for any disability caused or contributed to by elective treatment or procedures, such as cosmetic surgery, sex-change surgery, reversal of sterilization, liposuction, visual correction surgery or in vitro fertilization, embryo transfer procedure, or artificial insemination.

However, pregnancies and complications from any of these procedures will be treated as a sickness.

Additionally, no payment will be made for a disability caused or contributed to by any injury or sickness for which you are entitled to benefits under Workers' Compensation or a similar law.

Other limitations or exclusions to your coverage may apply. Please review your Certificate of Insurance/Summary Plan Description provided by your Employer for specific details or contact your benefits administrator with any questions.

<sup>1</sup> 8th Annual Employee Benefits Trends Study, 2010

<sup>2</sup> U.S. Census Bureau, Public Information Office, November 2008.

<sup>3</sup> Pursuant to IRS Circular 230, MetLife is providing you with the following notifications: The information contained in this document is not intended to (and cannot) be used by anyone to avoid IRS penalties. This document supports the promotion and marketing of insurance products. You should seek advice based on your particular circumstances from an independent tax advisor.

<sup>4</sup> Under certain circumstances, MetLife may estimate the amount of income you may receive from other sources, where permitted to do so.

The "Plan Benefits" provides only a brief overview of the STD plan. A more complete description of the benefits provisions, conditions, limitations, and exclusions will be included in the Certificate of Insurance/Summary Plan Description. If any discrepancies exist between this information and the legal plan documents, the legal plan documents will govern.

Like most group insurance policies, MetLife group policies contain certain exclusions, elimination periods, reductions, limitations and terms for keeping them in force. State variations may apply.

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