

## Voluntary Disability Income Programs



# Voluntary Disability Income Programs

## Your Life Is Insured, But What About Your Income?

If you are like most Americans, you have some form of life and health insurance, and probably insure other things you value, but what about your “income”? Who will pay the bills if you become disabled and cannot work? How will you preserve your lifestyle and your family’s security?

Many people cannot keep up with monthly expenses if they miss more than a few paychecks. A disability could deplete your savings and affect your family’s future.

Still, no one really expects to become disabled, especially for a period of months or even years. But the fact is, disability strikes one in four workers before age 65.\* That is why Duke makes it possible for you to protect your income by offering an optional short term and long term disability program to supplement the disability benefits provided by Duke.

The term “Duke” is used throughout this document. For purposes of this Benefit Program Description, “Duke” refers to the University, Duke University Health System, Inc., and any other entity which is or becomes controlled by Duke University and where, upon appropriate action by the Board of Trustees, the employees of that entity are included in the membership of these programs.

\* Source: 1987 Commissioner’s Group Disability Income Table, Society of Actuaries

# Voluntary Disability Income Programs **Table of Contents**

■ <b>Disability Coverages Provided By Duke University and Duke University Health System</b>	<b>Page 160</b>
■ <b>Additional Disability Coverage You Can Purchase</b>	<b>Page 161</b>
Duke University Employees .....	161
Duke University Health System Employees .....	161
■ <b>Eligibility and Enrollment</b>	<b>Page 162</b>
Eligibility for Coverage .....	162
Enrolling for Coverage .....	162
Effective Date .....	163
Deciding Which Plans to Choose .....	163
■ <b>How the Voluntary Short Term Disability and Voluntary Long Term Disability Plans Work</b>	<b>Page 164</b>
Total Disability .....	164

# Disability Coverages Provided By Duke University and Duke University Health System

As an employee of *Duke University* or *Medical Center* you earn sick leave, which may be used if you become disabled and cannot work. If you are a full-time employee with three or more years of continuous service, Duke provides a group disability plan that replaces up to 60% of your base salary that begins after 16 weeks.

As an employee of *Duke University Health System* you earn paid time off, which may be used if you become disabled and cannot work. If you are a full-time employee with three or more years of continuous service, Duke University Health System provides a group disability plan that begins after 12 weeks.

See Duke Disability Program section beginning on page 137 for further details.

# Additional Disability Coverage You Can Purchase

The voluntary plans, which are insured by Hartford Life and Accident Insurance Company, replace a portion of your income if you cannot work due to an accident or illness. Two voluntary disability plans are available to protect your income as a full-time employee. The two plans are:

## Duke University Employees

### Voluntary Short Term Disability (STD) Plan

Voluntary STD benefits begin after four weeks and continue for up to 13 weeks of total disability. The plan replaces up to 60% of your weekly base salary to a maximum weekly benefit of \$2,885. You may use any or all of your sick leave during the four week waiting period.

### Voluntary Long Term Disability (LTD) Plan

This plan is for employees with fewer than three years of continuous service, unless the employee already qualifies for the Duke Disability Plan. The plan replaces up to 60% of your base salary to a maximum monthly benefit of \$12,500. Voluntary LTD benefits begin after you have been totally disabled for 16 weeks.

## Duke University Health System Employees

Your Voluntary STD benefits cover disabilities that are not job related. Your Voluntary LTD benefits cover disabilities whether or not they are job related. However, both Voluntary STD and Voluntary LTD benefits will be reduced by the amount of other income benefits you receive while disabled, such as Social Security, sick leave, vacation pay, paid time off, or hours donated through the Kiel Memorial Vacation/PTO Donation Program. Regardless of these offsets, the minimum benefit is \$15 per week for Voluntary STD, and the greater of 10% of the Voluntary LTD benefit or \$100 for Voluntary LTD.

### Voluntary STD Plan

For employees with fewer than three years of full-time continuous service, your voluntary STD benefits begin after four weeks and continue for up to 22 weeks of total disability. The plan replaces up to 60% of your weekly base salary to a maximum weekly benefit of \$2,885.

For employees with three or more years of full-time continuous service, your voluntary STD benefits begin after four weeks and continue for up to eight weeks of total disability. The plan replaces up to 60% of your weekly base salary to a maximum weekly benefit of \$2,885.

### Voluntary LTD Plan

This plan is for employees with fewer than three years of full-time continuous service, unless the employee already qualifies for the Duke Disability Plan. The plan replaces up to 60% of your base salary to a maximum monthly benefit of \$12,500. Voluntary LTD benefits begin after you have been totally disabled for six months.

# Eligibility and Enrollment

## Eligibility for Coverage

### Duke University Employees

- **Voluntary STD** — All active full-time employees excluding faculty, Private Diagnostic Clinic faculty, and house staff. Full-time Clinical Associates and Consulting Associates are eligible for this program.
- **Voluntary LTD** — All active full-time employees excluding Private Diagnostic Clinic faculty and house staff. Full-time Clinical Associates and Consulting Associates are eligible for this program.

### Duke University Health System Employees

- **Voluntary STD** — All active full-time employees excluding faculty and house staff. Full-time Clinical Associates and Consulting Associates are eligible for this program.
- **Voluntary LTD** — All active full-time employees excluding faculty and house staff. Full-time Clinical Associates and Consulting Associates are eligible for this program.

## Enrolling for Coverage

Complete the enrollment form, found in your new hire packet or online at [www.hr.duke.edu](http://www.hr.duke.edu), and return it to our plan record keeping administrator:

**The MGIS Companies**  
**P.O. Box 16110**  
**Salt Lake City, UT 84116-0110**

Send the completed enrollment form, even if you decide not to enroll, and keep a copy of it for your records. MGIS will mail you a confirmation of coverage and a booklet-certificate, if you elect to enroll. Questions about plan administration, record keeping, and payroll deductions may be referred to MGIS at:

**(800) 969-6447, ext. 165**  
**9:30 AM to 6:15 PM EST**

### Effective Date

The effective date of your coverage depends on the date you enroll and whether proof of good health is required. If you:

- Are a newly hired employee and you enroll within your first 60 days of eligibility, coverage will begin on the first of the month following the date your enrollment form is received by MGIS.
- Enroll after this initial eligibility period, you are required to complete a Personal Health Statement, which must be approved by Hartford Life and Accident Insurance Company before coverage can begin.

If you are absent from work because of a disability on the day your coverage is to become effective, your coverage will begin when you have returned to active work for one full day.

Your coverage continues as long as you remain an eligible employee, the group policy remains in effect, and premiums are paid. If the group policy or your employment at Duke terminates while you are receiving benefits, your payments will continue as long as you are disabled and eligible for benefits.

### Deciding Which Plans to Choose

Consider the importance of each plan:

#### Duke University Employees

Voluntary STD is for those who have not accumulated many sick leave days and/or do not have enough emergency savings to manage up to four months without a paycheck.

Voluntary LTD is for those with fewer than three years of full-time continuous service who are not eligible for the Duke Disability Plan. This plan is one of the **MOST IMPORTANT** benefits you can purchase because it can help secure your financial future.

#### Duke University Health System Employees

Voluntary STD is for those who have not accumulated much paid time off and/or do not have enough emergency savings to manage without a paycheck.

Voluntary LTD is for those with fewer than three years of full-time continuous service who are not eligible for the Duke Disability Plan. This plan is one of the **MOST IMPORTANT** benefits you can purchase because it can help secure your financial future.

# How the Voluntary Short Term Disability and Voluntary Long Term Disability Plans Work

Voluntary STD benefits will be reduced by the amount of other income benefits you receive while disabled, such as Social Security, sick leave, vacation pay, hours donated through the Kiel Memorial Vacation/PTO Donation Program, or paid time off (PTO) taken, and other sources of income shown in your booklet-certificate, which will be mailed to you upon enrollment.

Voluntary LTD benefits will be reduced by the amount of other income benefits you receive while disabled, such as Workers' Compensation, Social Security, sick leave, vacation pay, hours donated through the Kiel Memorial Vacation/PTO Donation Program, or paid time off (PTO) taken, and other sources of income shown in your booklet-certificate.

**Pre-existing condition limitations** are included for conditions for which you received medical care during the 12 months prior to your coverage date. No benefits will be payable for that condition unless disability begins after 12 months of coverage. The first two weeks of Voluntary STD benefits will not have this limitation.

Your booklet-certificate contains a complete description of the plan provisions outlined in this brochure as well as your rights under ERISA.

All plans provide benefits for total disability. All plans may provide benefits even if you are partially disabled during the benefit waiting period and after.

No Voluntary STD or LTD premium payments are due while you are receiving Voluntary STD or LTD benefits.

Both Duke and the insurer, Hartford Life, have vocational rehabilitation counselors that offer return-to-work assistance when appropriate.

Hartford Life's Voluntary STD and Voluntary LTD benefits are tax-free based on current federal tax laws.

## Total Disability

### Voluntary Short Term Disability

Total disability generally means you are unable to engage in the essential duties of your occupation due to accidental bodily injury, sickness, mental illness, substance abuse, or pregnancy.

### Voluntary Long Term Disability

During the four-month (Duke University) or six-month (Duke University Health System) waiting period and the first two years that benefits are payable, total disability generally means you are unable to engage in the essential duties of your occupation due to accidental bodily injury, sickness, mental illness, substance abuse, or pregnancy. After the waiting period and the first two years that benefits are payable, total disability is defined as the inability to perform any occupation for which you are qualified by education, training, or experience.

Benefits for mental illness and substance abuse are limited to a total of 24 months for all disability periods during your lifetime. This limitation does not apply to periods of confinement in a hospital or other place licensed to provide care for the disabling condition.

A conversion plan is available if you terminate employment after being covered at least 12 months. You must apply for such coverage within 31 days of termination.

A survivor income benefit is provided if you die while receiving Voluntary LTD benefits. The benefit pays a lump sum amount to your surviving spouse, your children in equal shares if there is no surviving spouse, or your estate if there are no survivors.

As long as you remain totally disabled, Voluntary LTD benefit payments will continue according to the following schedule:

# How the Voluntary Short Term Disability and Voluntary Long Term Disability Plans Work

Normal Retirement Age means the Social Security Normal Retirement Age as stated in the 1983 revision of the United States Social Security Act. It is determined by your date of birth as follows:

**Underwritten by:**  
**Hartford Life and Accident Insurance Company**  
**Hartford Plaza**  
**Hartford, CT 06115**

Age When Disabled	Benefits Payable
Prior to age 63	To Normal Retirement Age or 48 months, if greater
63	42 months
64	36 months
65	30 months
66	27 months
67	24 months
68	21 months
69+	18 months

Year of Birth	Normal Retirement Age
1937 or before	65
1938	65 + 2 months
1939	65 + 4 months
1940	65 + 6 months
1941	65 + 8 months
1942	65 + 10 months
1943 through 1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 or after	67

## Hartford Life: Strength, Experience, Leadership

To provide you with the finest income protection available, Duke carefully evaluated a number of carriers and selected Hartford Life and Accident Insurance Company — a member of Hartford Life — to insure this plan.

Hartford Life is part of The Hartford, one of the oldest and largest international insurance and financial services organizations in the whole nation. With a history of strength, experience, and leadership, Hartford Life is a company you can count on for dependable insurance protection in the years ahead.

**This brochure explains the general purposes of the insurance described, but in no way changes or affects the policy as actually issued. In the event of any discrepancy between this brochure and the policy, the terms of the policy apply. Complete details are in the certificate of insurance issued to each insured individual. Please read it carefully and keep it in a safe place with your other important documents.**

Notes