

# Employer-paid and Employee Optional Additional Short Term Disability Insurance



## How does it work?

If a covered illness or injury keeps you from working, this Short Term Disability Insurance replaces part of your income while you recover.

Your employer is providing you a base amount of coverage. You also have the opportunity to purchase additional coverage to be sure your financial needs are met.

You're generally considered disabled if you're unable to do important parts of your job — and your income suffers as a result. You can use the money however you choose. It can help you pay for your rent or mortgage, groceries, out-of-pocket medical expenses and more.

## Why is this coverage so valuable?

If you don't sign up now but decide to apply later, you may have to answer health questions.



### COVERAGE AMOUNTS

#### Employer-paid coverage

Your employer is providing a benefit of 66.67% of your weekly earnings to a maximum of \$350.

#### Employee optional additional coverage

You can elect to purchase a benefit of 66.67% of your weekly earnings to a maximum of \$2,500.

The weekly benefit may be reduced or offset by other sources of income. The IRS may require you to pay taxes on certain benefit payments. See your tax advisor for details.



### ELIMINATION PERIOD

This is the number of days that must pass after a covered injury or illness before you can begin to receive benefits.

#### Employer-paid coverage:

Injury and Illness - 14 days

#### Employee optional additional coverage:

Injury and Illness - 14 days



### BENEFIT DURATION

This is the maximum length of time you can receive benefits while you're disabled.

#### Employer-paid coverage:

You can receive benefits for 11 weeks.

#### Employee optional additional coverage:

You can receive benefits for 11 weeks.

### Calculate your cost per paycheck

$$\begin{array}{rcl}
 \$ \underline{\hspace{2cm}} & \times 66.67\% & \\
 \text{Weekly Income} & = & \text{Your} \\
 \text{(annual salary/52)} & & \text{benefit \%}
 \end{array}
 \quad
 \begin{array}{rcl}
 \$ \underline{\hspace{2cm}} & \times .560 \div 10 = & \\
 \text{Weekly Benefit} & \text{Your rate} & \\
 \text{max of \$2,500} & & 
 \end{array}
 \quad
 \begin{array}{r}
 \$ \underline{\hspace{2cm}} \\
 \text{Monthly} \\
 \text{Employee Cost}
 \end{array}$$
  

$$\begin{array}{rcl}
 \$ \underline{\hspace{2cm}} & \times 12 \div & \\
 \text{Monthly} & & \\
 \text{Employee Cost} & & \text{Pay Periods} \\
 & & \text{Per Year}
 \end{array}
 \quad
 =
 \quad
 \begin{array}{r}
 \underline{\hspace{2cm}} \\
 \text{Pay Period} \\
 \text{Deduction}
 \end{array}$$

\* 66.670% benefit: If weekly benefit is greater than \$2,500, use \$2,500 for calculation.

### EXPENSES TO CONSIDER

- Mortgage/Rent
- Transportation
- Utilities
- Loans/Credit Card
- Child/Elder Care
- Medical
- Insurance
- Education
- Food
- Other

## Exclusions and limitations

### Active employee

You are eligible for coverage if you are an active employee in the United States working a minimum of 30 hours per week. You are considered in active employment, if on the day you apply for coverage, you are being paid regularly by your employer for the required minimum hours each week and you are performing the material and substantial duties of your regular occupation.

### Delayed effective date of coverage

Insurance coverage will be delayed if you are not an active employee because of an injury, sickness, temporary layoff, or leave of absence on the date that insurance would otherwise become effective.

### Definition of disability

You are considered disabled when Unum determines that, due to sickness or injury:

- You are limited from performing the material and substantial duties of your regular occupation; and
- You have a 20% or more loss in weekly earnings.

You must be under the regular care of a physician in order to be considered disabled.

The loss of a professional or occupational license or certification does not, in itself, constitute disability. 'Substantial and material acts' means the important tasks, functions and operations generally required by employers from those engaged in your usual occupation that cannot be reasonably omitted or modified. Unless the policy specifies otherwise, as part of the disability claims evaluation process, Unum will evaluate your occupation based on how it is normally performed in the national economy, not how work is performed for a specific employer, at a specific location or in a specific region.

### Pre-existing conditions

You have a pre-existing condition if:

- you received medical treatment, medical advice, care or services including diagnostic measures, or took prescribed drugs or medicines in the 3 months just prior to your effective date of coverage and
- the disability begins in the first 12 months after your effective date of coverage

### Deductible sources of income

Your disability benefit may be reduced by deductible sources of income and any earnings you have while you are disabled, including such items as group disability benefits or other amounts you receive or are entitled to receive:

- Workers' compensation or similar occupational benefit laws
- State compulsory benefit laws
- Motor vehicle insurance policy or plan
- The amount that you receive as disability income payments under the Pennsylvania Motor Vehicle Financial Responsibility Law
- Legal judgments and settlements
- Salary continuation or sick leave plans, if applicable
- Other group or association disability programs or insurance
- Social Security or similar governmental programs

### Exclusions and limitations

Benefits will not be paid for disabilities caused by, contributed to by, or resulting from:

- War, declared or undeclared or any act of war
- Active participation in a riot
- Intentionally self-inflicted injuries;
- Loss of professional license, occupational license or certification;
- Commission of a crime for which you have been convicted;
- Any period of disability during which you are incarcerated;
- Any occupational injury or sickness (this will not apply to a partner or sole proprietor who cannot be covered by law under workers' compensation or any similar law);

The loss of a professional or occupational license does not, in itself, constitute disability.

### Termination of coverage

Your coverage under the policy ends on the earliest of the following:

- The date the policy or plan is cancelled
- The date you no longer are in an eligible group
- The date your eligible group is no longer covered
- The last day of the period for which you made any required contributions
- The last day you are in active employment except as provided under the covered layoff or leave of absence provision.

Unum will provide coverage for a payable claim that occurs while you are covered under the policy or plan.

This information is not intended to be a complete description of the insurance coverage available.

The policy or its provisions may vary or be unavailable in some states. The policy has exclusions and limitations which may affect any benefits payable. For complete details of coverage and availability, please refer to Policy Form C.FP-1 et al., or contact your Unum representative.