

Basic Long Term Disability Insurance – First Reliance Standard Life Insurance Company

St. John's University is committed to providing programs that meet the needs of our employees. The Basic Group Long Term Disability (LTD) plan provides salary protection in the form of income in the event you should become disabled. This protection is just as important as insuring your life, your home, your car and your health. This is provided at **no cost** to the employee, as St. John's pays the entire cost of this plan for you.

After **one year** of full time employment, St. John's University provides all full-time employees with LTD coverage. If you were covered under a prior employer's LTD plan, benefits may start sooner. Please refer to the LTD certificate included in the binder for details about this feature.

For **Administrators and Faculty** employees, the benefit is 60% of base pay to a monthly maximum benefit of \$3,000. For **Staff** employees the benefit is 60% of base pay to a monthly maximum benefit of \$2,000. This plan also provides for certain contributions to your retirement annuities in order to protect you and your family against financial hardship.

All full time employees have the option to purchase additional income protection under the Optional Long Term Disability Plan described later in this new hire binder.

Summary of Benefits

The Long-Term Disability Benefit begins on the first of the month following 180 days of total disability (the elimination period).

During Long-Term Disability, an employee will continue to receive the same University-sponsored health benefits he or she received while actively employed for a period of up to 18 months beginning at the commencement of the LTD leave. However, any premium contribution that would have been deducted from the employee's paycheck will accrue during the period of time when no paycheck is issued. The outstanding amount accrued while out of work will be collected when the employee returns to work. If the employee does not return to work, the University will bill the employee for the premiums owed.

The benefits of the Basic plan are briefly summarized here. A complete description can be found in the Summary Plan Description included in the Benefits Binder and on the STJ website.

Basic Long Term Disability Schedule

- Monthly benefit of 60% of base pay
- Maximum Monthly Benefit
 - Administrators and Faculty:** \$3,000 less the sum of benefits from other sources
 - Staff:** \$2,000 less the sum of benefits from other sources
- Minimum monthly benefit: \$50
- Annuity Benefit
 - Administrators and Faculty:** 15% of your monthly wage base
 - Staff:** 10% of your monthly wage base

All of the payments you receive in the base plan will be taxable income. If you elect the optional coverage, you receive a more liberal definition of disability as well as an increased benefit. In addition, since you are required to pay for the optional coverage with after tax dollars, if you ever qualify for benefits, a portion of your payment will not be taxable. This optional benefit is described in the next section of this new hire binder.

Duration of Benefits

With certain limited exceptions, benefits will continue during a term of continuous disability until the following age or time limits:

Age When Disability Starts	Age or Time Limits
Less than 60	To age 65
60 but less than 65	4 1/2 years
65 but less than 68 1/2	to age 70
68 1/2 and over	1 year

Retirement Annuity Protection

The Monthly Annuity Premium Benefit will make contributions to a TIAA-CREF annuity while you are receiving disability benefits. This benefit is designed to protect your retirement fund during a period of disability. If you don't have a TIAA-CREF annuity, TIAA-CREF will initiate an annuity premium benefit for you when your disability benefits are approved. The amount of the monthly contribution is 15% of your monthly wage base for Administrators and Faculty employees and 10% of your monthly wage base for Staff employees.

Definition of Total Disability

Total Disability means you are completely unable due to sickness, bodily injury or pregnancy to perform the material and substantial duties of your normal occupation and not performing any other occupation for the first 24 months of disability plus the elimination period. Thereafter, Total Disability means your inability due to sickness, bodily injury or pregnancy to perform the material and substantial duties of any occupation for which you are reasonably suited by education, training or experience.

Elimination Period

Benefits begin on the first day following the completion of the elimination period. The elimination period is 180 days of continuous Total Disability.

Conversion Privilege

If you terminate employment, you may convert up to the amount of Long Term Disability Insurance you have in force, not to exceed \$8,000 per month (proof of good health is required for amounts converted over \$4,000) to an individual Long Term Disability policy without evidence of insurability. You must elect this conversion within 31 days of your termination.

Survivor Benefit

In the event of your death while receiving Long Term Disability benefits and being disabled for at least 12 months your Surviving Dependent may be eligible to receive a lump sum benefit equal to the last monthly benefit received multiplied by three.

Benefits From Other Sources

Your benefit will be reduced by income you receive from other sources such as:

- Social Security or similar benefits (includes primary and dependent benefits)
- Workers Compensation amounts or similar benefits
- Benefit amounts that are payable for disability under which your Employer contributed or for which your employer has deducted funds from your wages

How To Enroll

You are automatically enrolled in the Basic LTD plan after one year of service. If you were covered by your prior employer, please submit a letter from your prior employer's Employee Benefits Office within 31 days from your hire date so that we can waive the one year waiting period (see sample letter enclosed in the Benefits Binder).

How To File A Claim

The First Reliance Standard Life Insurance Company must receive in writing both notice of claim and proof of Disability within 12 months after the start of Disability. Forms for filing proof will be sent to you or St. John's when The First Reliance Standard Life Insurance Company receives written notice of a claim. If forms are not sent within 15 days after The First Reliance Standard Life Insurance Company's receipt of notice, you have met the group policy's condition for filing proof by submitting in writing, within the required 12 months, proof of occurrence, character and extent of the Disability. Written proof of continued Disability is required at reasonable intervals while using the benefit and will be determined by The First Reliance Standard Life Insurance Company.

Optional Long Term Disability Insurance – First Reliance Standard Life Insurance Company

St. John's University is committed to providing programs that meet the needs of our employees. In addition to the Basic Long Term Disability (LTD) benefit, which is provided by the University to all full time employees at no employee cost, you have the choice of selecting Optional Long Term Disability Insurance. The Optional LTD plan provides salary protection in the form of income in the event you should become disabled. This protection is just as important as insuring your life, your home, your car and your health. If you choose to enroll in the Optional LTD plan, you can purchase additional protection that will provide a higher percentage of your salary if you become disabled and will also provide a more liberal definition of disability than the Basic LTD plan.

You can enroll in this plan when you become eligible for the Basic LTD plan. In general, this will be after one year of full time employment. However, if you were covered under a prior employer's LTD plan, benefits may start sooner. Please refer to the LTD certificate included in the Benefits Binder for details about this feature. If you enroll in the Optional LTD plan within 31 days of becoming eligible to participate, you will not have to provide evidence of good health to be accepted into the plan. **If you want to enroll in the plan after this 31- day period, you will have to submit evidence of your good health before your additional coverage will become effective.**

Summary of Benefits

The benefit provides 66.67% of base pay to a monthly maximum benefit of \$10,000. This plan also provides for certain contributions to your retirement annuities in order to protect you and your family against financial hardship.

The Long-Term Disability Benefit begins on the first of the month following 180 days of total disability (the elimination period).

During Long-Term Disability, an employee will continue to receive the same University-sponsored health benefits he or she received while actively employed for a period of up to 18 months beginning at the commencement of the LTD leave. However, any premium contribution that would have been deducted from the employee's paycheck will accrue during the period of time when no paycheck is issued. The outstanding amount accrued while out of work will be collected when the employee returns to work. If the employee does not return to work, the University will bill the employee for the premiums owed.

The benefits of the Optional plan are briefly summarized below. A complete description can be found in the Summary Plan Description included in the Benefits Binder or on the STJ website.

Optional Long Term Disability Schedule

- Monthly benefit of 66.67% of base pay
- Liberalized definition of disability (includes in some cases partial disability)
- Maximum monthly benefit: \$10,000 less the sum of benefits from other sources
- Minimum monthly benefit: \$50

- The cost of optional insurance is collected through payroll deductions

By electing the optional coverage, disability will be determined with a more liberal definition and you will receive an increased benefit. In addition, since you are required to pay for the optional coverage with after tax dollars, if you ever qualify for benefits, a portion of your payment will not be taxable. All of the payments you receive in the base plan would be taxable income.

Duration of Benefits

With certain exceptions, benefits will continue during a term of continuous disability until the following age or time limits:

Age When Disability Starts	Age or Time Limits
Less than 60	to age 65
60 but less than 65	4 1/2 years
65 but less than 68 1/2	to age 70
68 1/2 and over	1 year

Retirement Annuity Protection

The Monthly Annuity Premium Benefit will make contributions to a TIAA-CREF annuity while you are receiving disability benefits. This benefit is designed to protect your retirement fund during a period of disability. If you don't have a TIAA-CREF annuity, TIAA-CREF will initiate an annuity premium benefit for you when your disability benefits are approved. The amount of the monthly contribution is 15% of your monthly wage base for Administrators and Faculty employees and 10% of your monthly wage base for Staff employees. If monthly earnings while disabled exceed 20% of the increasing monthly wage base, which is one-twelfth of your basic annual wage paid by the University at the start of a term of disability, this benefit will be adjusted.

Definition Of Total Disability

For **Administrators and Faculty Employees**: Total Disability means you are completely unable due to sickness, bodily injury or pregnancy to perform the material and substantial duties of your normal occupation and not performing any other occupation. Partial disability benefits may be payable if you are able to return to work on a limited basis after being continuously and totally disabled during the elimination period.

For **Staff Employees**: Total Disability means you are completely unable due to sickness, bodily injury or pregnancy to perform your normal occupation and not performing any other occupation for the first 60 months of disability plus the elimination period. Thereafter, Total Disability means your inability to perform the material and substantial duties of any occupation for which you are reasonably suited by education, training or experience. Partial disability benefits may be payable if you are able to return to work on a limited basis after being continuously and totally disabled during the elimination period.

Elimination Period

Benefits begin on the first day following the completion of the elimination period. The elimination period is 180 days of continuous Total Disability.

Benefits From Other Sources

Your benefit will be reduced by income you receive from other sources such as:

- Social Security or similar benefits (includes primary and dependent benefits)
- Workers Compensation amounts or similar benefits
- Benefit amounts that are payable for Disability under which St. John's University contributed or for which St. John's University deducted funds from your wages

How To Enroll

To enroll in the Optional plan, you will be given a form on the date you become eligible, which must be completed and returned within 31 days of your eligibility. If the form is not completed in the time period allotted, proof of good health will be required before your coverage will be effective.

How To File A Claim

The First Reliance Standard Life Insurance Company must receive in writing both notice of claim and proof of Disability within 12 months after the start of Disability. Forms for filing proof will be sent to you or St. John's when The First Reliance Standard Life Insurance Company receives written notice of a claim. If forms are not sent within 15 days after The First Reliance Standard Life Insurance Company's receipt of notice, you have met the group policy's condition for filing proof by submitting in writing, within the required 12 months, proof of occurrence, character and extent of the Disability. Written proof of continued Disability is required at reasonable intervals while using the benefit and will be determined by The First Reliance Standard Life Insurance Company.