



A Guide to Long Term Disability Benefits

The University of Maine System is proud to offer a Long Term Disability (LTD) plan to eligible employees. Long term disability is defined as a severe illness or injury that prevents you from working at all or prevents you from working full-time, for a period of six months or longer.

The purpose of this plan is to protect you and your family from complete loss of income should you suffer a long term disability.

This brochure summarizes the University's plan in everyday language and explains how and when to apply for benefits. Please refer to your Summary Plan Description/Plan Document for more detailed information. In the event of any conflict between this brochure and the Summary Plan Description/Plan Document, the Summary Plan Description/Plan Document will govern.

Long term disability benefits are offered at no cost to eligible employees.

Who is eligible?

- Full-time regular employees are automatically enrolled as of their date of hire.
- Benefits Regular (BR) employees are automatically enrolled on the date they attain BR status, which is defined as completion of the equivalent of five years of full-time regular continuous service.
- Employees with shared appointments are eligible as of the date of the shared appointment and employees who are participating in partial/phased retirement (PPRP) continue to be eligible for LTD during the PPRP period.

Please note that employees may continue eligibility for long term disability while on an approved University paid or unpaid disability, educational, or personal leave of absence. *Employees on layoff may continue eligibility for a maximum of 12 months from the beginning of the layoff. Coverage ceases as of the first of the month following the end of the leave or layoff unless the employee returns to active working status.

What is covered?

The University's long term disability program covers physical or mental illness that prevents employees from performing their jobs for a period of six months or longer.

A wide range of conditions is covered, including (but not limited to):

- progressive, uncontrolled cancer;
- loss of major functions of arms and/or legs;
- serious brain damage;
- alcohol or drug addiction;
- and severe mental illness.

Is there a pre-existing restriction for illness or injury?

The plan has a pre-existing condition provision. That is, if you were treated (or if a prudent person would have been treated) for a condition within 3 months prior to entering the plan, long term disability benefits are not available during the first 12 months of coverage for that condition only. Coverage is immediately available for other conditions.

How does it work?

Under this program, monthly benefits are paid to employees who are totally or partially disabled for a period of 180 calendar days or longer. The first 180 days is called the waiting or elimination period, and no benefits are paid during that time. However, if you have accrued Disability/Sick Leave, you can

continue to be paid during the 180 day waiting/elimination period. Once a decision regarding LTD benefits has been determined along with your ability to return to work, a review will occur at that time.

How long do benefits continue?

Disability benefits continue until the earlier of the date that you complete the maximum benefit period, are able to return to work, retire or die. Please see the section on **Duration of benefits**.

What do disability benefits pay?

The monthly benefit is equal to 60% of your basic monthly earnings, minus the amount of certain other types of income you receive, such as Social Security or third party disability payments and Workers' Compensation benefits. If you are partially disabled, partial benefits may be payable.

The maximum monthly benefit is \$13,000 and the minimum monthly benefit is the greater of either \$100 or 10% of the disability benefit, before other types of income are subtracted.

What happens if the disability stops temporarily during the waiting period?

If your disability stops for no more than 30 consecutive or intermittent days during the six month waiting period, your disability is considered continuous. Please note, however, that the days during which you are not totally disabled do not count toward completion of the waiting period. In other words, if you recover for five days during the waiting period before having a relapse, you will have to wait a total of 185 days from the onset of the disability before you can begin collecting benefits.

Must sick/disability leave or other types of leave be used during the waiting period?

If you have applied for long term disability benefits, you are required to use all the sick/disability leave you have built up. You must start using this leave beginning on the first day you take off due to the long term disability.

If you so choose, you can also use any annual leave and compensatory time you have during the waiting period so that you can continue to receive your pay.

What happens after all leave time is used up?

Employees who have used up all sick/disability leave, annual leave, and compensatory time may apply for a leave without pay.

Employees holding appointments for less than 12 months per year who have applied for disability benefits are not required to use accrued leave time during those months when they normally perform no University service, but continue to receive any regularly scheduled salary payments due them during this period.

What happens to employees who are granted long term disability status?

When an employee's long term disability application is approved, the employee and the University will engage in an interactive process regarding whether the employee will be able to return to work with or without a reasonable accommodation. If the employee will not be able to return to work, with or without a reasonable accommodation, the employee may be terminated. Any employee terminated under these conditions is paid for any unused compensatory time, unused annual leave, and any annual leave earned but not used during the waiting period.

Examples of how leave time can be used during the waiting period

The way leave is accrued varies depending on your collective bargaining unit and your employee classification. Please contact your University Benefits Office for help in determining your specific leave status.

What follows are examples of how leave can be applied in various situations:

1. An hourly employee who has applied for long term disability benefits has accrued a total of 30 days sick/disability leave, annual leave and compensatory time. The employee must use all of these leave balances, starting on the first day that disability causes absence.
2. A professional employee with the maximum sick/disability leave accrual of 180 days is seriously ill for a month. The physician then says that the employee may not be able to return to work within another five months. The employee's accrued sick/disability leave will last throughout the 180-day waiting period, so salary is continued. By submitting a disability claim as soon as possible after the onset of illness, the employee minimizes the chance that accrued leave will be exhausted before eligibility is determined, and helps to ensure minimal loss of income.
3. A faculty member holding an academic year appointment becomes disabled on April 1. The employee applies the 40 days of sick/disability leave accrued to the period of absence from April 1 through May 31, which is the final day of the employee's work year. During the months of June, July and August — which are outside the work year — the employee continues to receive salary. Still unable to work in September, the employee has now used all sick/disability leave time. The end of the 180-day waiting period for this employee is October 1.

Where do Social Security disability benefits fit in?

Employees who are totally and permanently disabled may also be eligible for Social Security disability benefits beginning with the fifth (5th) month of disability. Part-time and temporary employees who are not covered by the University's disability plan may be eligible for Social Security disability benefits.

If you file a disability claim through the University's plan, you are also required to file a Social Security claim. If your Social Security application is granted, the amount of the monthly Social Security benefit will be subtracted from any University long term disability benefits.

Once you have received Social Security disability benefits for 24 months (regardless of age), you become eligible for Government Medicare A (hospitalization) and B (physician/out-patient) coverage. If you participate in the University's group health coverage, the University requires that you enroll in Medicare A and B when first available in order to continue your University group health coverage while receiving Long Term Disability benefits.

What if an employee receives payment from a third party?

The long term disability benefit is reduced by payments you may receive from a third party that are applicable to lost wages.

How to apply for long term disability benefits

The first thing to remember when it becomes apparent that you may have a long term disability is to file a request for benefits with both the University and the Social Security Administration as soon as possible. The reasons are twofold:

- If your long term disability application is not filed in a timely manner, your application may be denied by the carrier.
- The review procedures under both the University's and the Social Security Administration's programs are lengthy. If you file early and are approved, you should get your first check with minimum disruption of income. Also, please keep in mind that back payments from Social Security disability benefits are limited to the 12 months preceding the month when the application was made.

As soon as your physician advises you that the disability you have incurred may continue for a period longer than six months, you should follow this procedure:

1. Notify your supervisor that the disability may make you unable to work for more than six months.
2. Contact your Employee Benefits Center for an explanation of the long term disability plan.
3. Complete the Liberty Mutual Long Term Disability application. There are three (3) parts to the application – one section is completed by your University Benefits Office, one section is completed by you, and the third section is completed by your attending physician(s). Once completed, the form should be forwarded to Liberty Mutual using the address on the application.
4. Contact the local office of the Social Security Administration to apply for Social Security disability benefits. Complete and return the application form to the Social Security office.
5. When all leave time and compensatory time are exhausted, Service and Maintenance employees may request an advance of sick/disability leave. These requests are to be made to your supervisor and approved by the President's designee.

Status of other insurance during the waiting period

Premium deductions for your University benefits will continue during the waiting period while you are on paid leave. Once you switch over to an approved unpaid leave, you will continue benefits by paying your share of any applicable premium.

What happens if an employee recovers during the waiting period?

If you recover from your disability at any time during the waiting period, it is your responsibility to notify your supervisor and Benefits Office as well as the LTD carrier. If you were out of work less than 180 days, your application for benefits will be withdrawn and you will not be eligible for LTD benefits.

You may attempt to return to work at any time during the six month waiting period. Please keep in mind, however, that if you return to work for more than 30 days and then have to stop again, you will be subject to a new six month waiting period. If you return to work for less than 30 days before having to stop, you will not have to meet a new waiting period for the same disability.

What happens if the application for benefits is approved?

At the end of the six month waiting period, if your application is approved, your employment will be terminated. Under current University of Maine System policy (which is subject to change), you will receive the following benefits, in addition to monthly disability payments:

1. Any annual leave (up to the maximum) and compensatory time not previously paid to you.

Please note that payment of annual leave applies to all employees; however payment of compensatory time applies only to hourly employees.

2. All employees will eligible to continue health insurance for the first twenty-four (24) months after approved for benefits. You will be responsible for payment of 20% of your individual health premium well as one-half the premium for any dependent coverage.
3. AFUM will have their employee life insurance coverage (basic and supplemental) continue (paid by the University), either until you reach the end of the specified disability period or you retire, whichever occurs first. All employees except AFUM unit members will have life insurance (basic and supplemental) continue (paid by the University) for the first thirty-six (36) months after the elimination period. Please note, however, that if your disability period extends beyond age 65, the group life insurance is reduced to 65% of its former level. You would be offered the opportunity to convert the reduced amount to an individual policy at that time. Any dependent life insurance will be terminated and you will have the opportunity to convert the coverage to individual policy directly with the carrier.

4. For faculty, professional, and hourly employees who participate in the TIAA-CREF Basic Retirement Plan, the applicable monthly contributions will cease.

For hourly employees participating in the University of Maine System Retirement Plan for Classified Staff (formerly the Non-Contributory Retirement Plan), the University will continue your participation. The years during which you receive long term disability benefits will continue to count as years of continuous service in your retirement benefit formula, up to the maximum of 30 years.

5. If you are permanently disabled, a portion of your disability income may not be counted as taxable income by the Internal Revenue Service. Please contact the IRS for more information about claiming this exclusion on your federal tax return.

In accordance with University policy and practice, if you resign from the University within the elimination period, numbers 2 through 4 above will not apply. You will receive only the LTD benefit paid by the disability carrier.

What happens if an employee accepts a lump sum settlement?

In some cases, the disability carrier may offer a LTD benefit recipient a lump sum settlement in lieu of on-going LTD benefits. The lump sum is considered taxable income in the year it is paid. If you accept a lump sum payment in lieu of on-going LTD benefits, it will impact your other benefits:

1. Group life insurance ceases at the point of the settlement; however, the option to convert to an individual plan is offered.
2. Further accrual to the University of Maine System Retirement Plan for Classified Staff (formerly the Non-Contributory Retirement Plan) ceases for hourly paid former employees enrolled in that plan.

3. Subsidized group health coverage continues for the individual on the same basis as a retiree (up to the maximum of 24 months), as it does when a former employee on LTD reaches retirement age.

In accordance with University policy and practice, if you resign from the University within the elimination period, numbers 1 through 3 above will not apply in the event of a lump sum settlement.

Returning to work

When an employee's long term disability application is approved, the employee and the University will engage in an interactive process regarding whether the employee will be able to return to work with or without a reasonable accommodation.

The University's practice, whenever possible, is to assist a formerly disabled employee to return to work if that person is no longer disabled and if an appropriate position is available. However, the University has no obligation to hold open or create a position for former employees.

If you have been disabled and are later able to return to work, it is your responsibility to promptly notify your Benefits Office.

What if an employee is able to return to work part-time after becoming eligible for long term disability?

If you are eligible for and approved for long term disability benefits and subsequently are able to return to work part-time, you may be eligible for a partial disability benefit. This means you may be able to return to work part-time for a period of time and still receive a portion of your disability benefit. If you are able to work on a part-time basis, you will receive employee benefits as either an employee or an LTD recipient, whichever is more favorable to you.

For further information please refer to the summary plan description or contact your Employee Benefits Center.

Duration of benefits

Mental health, substance abuse and non-verifiable conditions will be limited to a maximum of thirty-six (36) months of coverage (except for Service & Maintenance unit members). There is no limit on these conditions for Service and Maintenance employees. The length of time you may receive a monthly benefit also depends upon your age when you become disabled. Use the following chart as a guide:

Your Age on Date Disability Begins	Your Maximum Benefit Duration
Under age 61	To normal retirement age*, but not less than 60 months
Age 61	To normal retirement age*, but not less than 48 months
Age 62	To normal retirement age*, but not less than 42 months
Age 63	To normal retirement age*, but not less than 36 months
Age 64	To normal retirement age*, but not less than 30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 and over	12 months

***Your normal retirement age is your retirement age under the Social Security Act, where retirement age depends on your year of birth, as follows:**

Year of Birth	Social Security Retirement Age
Before 1938	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months

1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or after	67

End of benefits

Your monthly long term disability benefits end on the date that one of the following occurs:

1. You cease to be disabled.
2. You complete the maximum benefit period.
3. You agree to a lump sum settlement.
4. You die.

Please note that benefits begin and end on specific dates within a month (for example, June 10 to December 10).

Effect of disability on other benefits:

Partial/Phased Retirees — Employees participating in this program are treated as full-time employees for purposes of long term disability insurance coverage; any benefits, however, are based on the reduced salary at the time of the disability.

Dependent Tuition Waiver — The spouse/domestic partner or dependent children of employees receiving long term disability benefits may be eligible to continue taking part in the waiver program if certain conditions are met. Please consult your employee handbook, collective bargaining agreement, or Benefits Office.

Additional information

Recurrent Disability — this is defined as a disability that is related to a prior disability for which you received a monthly benefit.

If a recurrent disability occurs at least six months after you resumed your regular job, it is treated as a new disability. In this case, you will have to complete another waiting period before you become eligible for long term disability benefits.

If a recurrent disability occurs after you have been back at your regular job for less than six months, it is considered a continuation of the prior disability. You do not have to complete another waiting period before becoming eligible for long term disability benefits. Please note, however, that if the University changes its long term disability insurance carrier during the time you were back at work, you will have to complete a new waiting period.

Death Benefit — If you die while receiving monthly long term disability benefits, a lump sum payment equal to three times your monthly benefit will be paid:

- To your spouse if living; or
- to be divided equally among your children under the age of 25; or
- to your estate

Government Medicare A (Hospitalization) and B (Physician/Out-Patient) Health Coverage – Once you have received Social Security disability benefits for 24 months (regardless of age), you are eligible for Government Medicare A and B. The University of Maine System requires that you enroll in Medicare A and B when first eligible if you wish to continue your University group health coverage. Government Medicare A and B become your primary payer (pay first) and your University health plan is the secondary payer.

Cost-of-Living Adjustment — an annual cost-of-living adjustment may be made each year that you receive LTD benefits. For employees (excluding AFUM and Service and Maintenance unit members), the annual cost-of-living

increases are limited to the first twenty-four (24) months of receiving benefits. The 3% adjustment is effective on the anniversary date when benefits began, provided you are totally disabled on that date and were totally disabled for the entire 12 months prior to that date.

If you are receiving partial disability, the adjustment may be increased as of July 1 of a calendar year:

- if you are partially disabled on that date and you were disabled throughout all of the 12 months before that date; and
- benefits for partial disability that would be payable after that July 1 are less than the benefits for total disability.

The amount of the first such increase is determined by multiplying your Pre-Disability Earnings by the Index Factor. The amount of each subsequent increase is determined by multiplying your Pre-Disability earnings, as adjusted after the last such increase, by the Index Factor.

The Index Factor is the lesser of:

(1) the annual percentage increase in the Consumer Price Index for the preceding calendar year; or

(2) 10%.

General information

This summary describes the benefits available under the University of Maine System Group Long Term Disability Plan. Every attempt has been made to be informative about benefits available under the plan.

The benefits described herein are subject exclusively to the provisions and limitations of the contract. In any event, where a question may arise as to a claim for benefits or denial of a claim for benefits, the University, the Plan Administrator, the Contract Administrator and such other individuals as may be party to or associated with the Plan shall be guided solely by the contract.

The University of Maine System hopes and expects to be able to continue the Plan indefinitely, but reserves the right to make changes in the Plan or to discontinue the Plan at any time.

Non-Discrimination Notice

The University of Maine System does not discriminate on the grounds of race, color, religion, sex, sexual orientation, including transgender status and gender expression, nation origin, citizenship status, age, disability, genetic information or veteran's status in employment, education, and all other programs and activities.

The University will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

For inquiries, please contact the UMS Director of Equal Opportunity at (207) 581-1226 or equal.opportunity@maine.edu or the campus Equal Opportunity Office.