



Long-Term Disability

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# Long-Term Disability

Long-Term Disability Insurance Handbook

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## **Long-Term Disability Handbook**

### *Insurance coverage available to eligible employees*

This handbook provides a description of your long-term disability insurance benefits, provided pursuant to Chapter 104, RSMo, and The Standard Group Insurance Policy Number 604201 or successors thereto, issued to the Trustees of the Missouri State Employees' Retirement System (MOSERS). If there is a discrepancy between this handbook and the statute or insurance contract, the statute or insurance contract will prevail.

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## MOSERS' Mission

MOSERS exists to advance the financial security of its members.

## How To Contact MOSERS



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MOSERS benefit counselors are a valuable source for information and assistance regarding your benefits. They can explain the different plan provisions, provide you with a benefit estimate, and counsel you regarding your benefit options.

Our business hours are 7:30 a.m. to 4:30 p.m. Monday - Friday.

### Website

[www.mosers.org](http://www.mosers.org)

### Telephone

(573) 632-6100  
(800) 827-1063

### Fax

(573) 632-6103

### Social Media



### Email

[mosers@mosers.org](mailto:mosers@mosers.org)

### Mailing Address

PO Box 209  
Jefferson City, MO 65102-0209

### Office Location

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Jefferson City, MO

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## Overview

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### Income Replacement Should You Become Disabled

People insure their lives, health, homes, and other possessions, but often overlook their most important asset—their ability to earn an income. Long-term disability (LTD) insurance protects your earning ability by providing partial income replacement in the event you become disabled; this bridges the gap from your date of disability to your recovery or retirement, whichever comes first. Fortunately, as an eligible, active employee of the state of Missouri, you are provided LTD coverage at no cost to you.

Please take a few minutes now to read through this handbook. Contact a MOSERS benefit counselor at (800) 827-1063 or (573) 632-6100 with any LTD questions. Acquainting yourself with the terms in the glossary (pages 19-20) will also help you better understand the complexities of LTD coverage.

Your LTD benefits include:

- No-cost coverage; premiums are paid by your employer.
- A 90-day benefit waiting period.
- 60% replacement of your pre-disability earnings less any deductible income (see pages 6-7 for examples of deductible income).
- Continuation of creditable service toward retirement benefits for each month you receive disability benefits.
- Annually-indexed salary, from the time of disability, to be used in calculating retirement benefits.
- Lump-sum survivor benefit to your spouse (or children) if you die while receiving LTD benefits.
- Continued life insurance coverage with the potential of not having to pay the premiums (waiver of premiums).
- Continued LTD coverage for up to one year if you are on an approved leave of absence, provided you pay the premiums.
- Reasonable accommodations expense benefit to help you stay in or return to active work (see page 13).

Long-term disability insurance provides partial income replacement in the event you become disabled.

Coverage is provided through a policy administered by Standard Insurance Company, referred to throughout this handbook as The Standard.

## Employees Eligible For LTD Coverage

### Eligible Employees

You are eligible for MOSERS LTD insurance coverage if:

- You are working in a permanent position normally requiring at least 1,040 hours per year as an employee of the state of Missouri, and you are a member of any of the following retirement plans: the Missouri State Employees' Plan (MSEP), the Missouri State Employees' Plan 2000 (MSEP 2000, including MSEP 2011), the Judicial Plan (including the Judicial Plan 2011), or the Administrative Law Judges and Legal Advisors' Plan (ALJLAP).
- You are a member of the Public School and Education Employee Retirement System of Missouri (PSRS/PEERS) and are employed full-time by a state agency.
- You are working in a MSEP, MSEP 2000, or MSEP 2011 position at Lincoln University or State Technical College of Missouri.
- You are a Uniformed Water Patrol Officer electing MOSERS benefits under the provisions of House Bill 1868.

LTD coverage helps protect your lifestyle from the economic loss that can be caused by a serious disability.

### Employees Not Eligible

Certain groups of MOSERS members are not eligible to participate in the LTD plan. These include the following:

- Uniformed Water Patrol Officers who have qualified, or who qualify for receiving other disability benefits or retirement benefits due to disability, under the statutory occupational disability plan.
- Members of MOSERS who have another disability plan provided by their employer (i.e. state colleges and universities not listed above).
- Members eligible for normal (unreduced) retirement from MOSERS.
- Missouri State Highway Patrol employees (except Uniformed Water Patrol Officers electing MOSERS benefits under the provisions of House Bill 1868).

## Workplace Possibilities Program

The Standard Insurance Company offers the Workplace Possibilities program to assist eligible employees who may be having difficulty performing job duties due to a medical condition by offering consultations that may lead to providing accommodations or services to promote a healthier work place. Examples could include ergonomic evaluation for specialized seating, sit/stand work station (for those who need to change positions frequently throughout the work day), lifting devices, specialized shoes, etc.

Each member's situation is unique and each member deserves and receives individualized, respectful attention to his or her difficulties. The guiding belief of the program is that work is important and valuable, promotes independence, gives a sense of purpose and contributes to the socioeconomic development of society.

Contact your human resources representative who can provide you with information explaining the Workplace Possibilities program, and the related forms. Your human resources representative will also provide the Workplace Possibilities consultant with your contact information

Eligibility for LTD insurance ends when you become eligible for normal retirement. Therefore, the Workplace Possibilities Program is not available for employees eligible for normal retirement.

so that an initial contact can be made to answer any additional questions and provide assistance in completing the forms, if necessary. You can find more information about the Workplace Possibilities program online at: <http://workplacepossibilities.com>.



## Your Long-Term Disability Benefits

### LTD COVERAGE

#### Effective Date of Coverage

Provided you meet the actively at work requirement, your LTD coverage becomes effective on the first day you become a member of MOSERS.

#### Cost of Coverage

If you are eligible for LTD insurance coverage through MOSERS, your monthly LTD insurance premiums will be paid by your employer (unless you are on an approved leave of absence).

#### Coverage During an Approved Leave of Absence

As long as you remain in active pay status, your LTD premiums are paid by your employer. If you take an approved leave of absence and wish to continue your LTD coverage, you may do so for up to one year. During this 12-month period, MOSERS will bill you directly for the monthly premiums. At the end of the 12-month period, your coverage will terminate.

If you choose to terminate your LTD coverage while on an approved leave of absence, your coverage will begin again on the date you return to work.

Direct bill payments will be debited directly from your account on the 14th of each month, or the next business day. Please allow **10 business days** for initial processing.

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#### Autopay Authorization Form

The standard method for payment for life insurance and long-term disability premiums, during an approved leave of absence or layoff, is auto deduction from an approved checking or saving account. The *Autopay Authorization* allows MOSERS to transfer your premium payment electronically from a designated account each month. The form is available to download online, but the authorization must be signed, dated, and returned to MOSERS, along with a voided check or deposit slip. These documents can be scanned and uploaded to MOSERS' website.

### LTD BENEFITS

#### Benefit Amount

If you are disabled, have been approved for LTD by the Standard and have completed the benefit waiting period, your monthly disability benefit will equal 60% of: (1) your monthly salary on your last full day of active work, or (2) the average monthly salary for your highest consecutive 36 months of employment (whichever amount is greater).

LTD insurance is intended to replace a percentage of your income lost as a result of disability. In replacing the percentage of lost wages, The Standard also takes into account certain other sources of income you may be eligible to receive as a result of your disability. **These other sources of income are called “deductible income,” because they are deducted from your LTD benefit.** Your LTD benefit will be reduced by the following types of deductible income:

- Primary social security benefits paid because of your retirement or disability (**social security cost-of-living adjustments [COLAs] will not reduce the amount of your disability benefit**).

MOSERS' LTD benefits and social security benefits are independent of each other. Approval of one does not guarantee approval of the other.

- Amounts received or amounts eligible to be received from any workers compensation law as a result of your disability.
- Any wages earned while employed on a part-time basis.
- Any other benefits received under another group disability insurance plan.
- Any sick leave or salary continuation received while eligible for LTD benefits.

### Minimum Benefit

The gross amount of your LTD benefit payments will never be less than \$100 per month or 15% of the maximum monthly LTD benefit otherwise payable, whichever amount is greater.

### Benefit Increases or Cost-of-Living Adjustments

Your LTD benefit is not subject to cost-of-living adjustments. Once the amount of your disability benefit is determined, it will not increase. However, when you become eligible to retire, your retirement benefit will include annual cost-of-living adjustments.

### When Benefits Begin

Your LTD benefit payments will begin at the end of the benefit waiting period—90 days after your last day on the job or the period of sick leave you are entitled to through your employer's sick leave program, whichever is longer. LTD benefits will be issued on the first day of the month after your approval date. Once you begin receiving benefits, your employer may terminate your employment with the state. **Please Note:** Talk with a MOSERS benefit counselor and contact your employer to get details about how these provisions are administered in your agency.

Working full-time or receiving full salary during the 90-day benefit waiting period could delay payment of or eligibility for LTD benefits.

Social security cost-of-living adjustments (COLAs) will not reduce the amount of your LTD benefit.

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### *When Your Social Security Benefits May Start*

If approved, your first social security benefit will generally be paid for the sixth full month after the date your disability began. For example, if your disability began on January 15, your first disability benefit will be paid for the month of July. Since social security benefits are paid in the month following the month for which they are due, you would receive your July benefit in August.

Source: Social Security - Disability Benefits (Publication #05-10029)  
<http://www.socialsecurity.gov/pubs/EN-05-10029.pdf>

### Overpayment of Benefits/Duty to Pursue Deductible Income

To provide you with an income as soon as possible, monthly disability benefits may be paid before a social security or workers' compensation monthly benefit is determined. **This may result in an overpayment. You must notify The Standard if you begin receiving benefits from workers' compensation or social security while receiving your LTD benefits.**

According to the terms of the policy, you may be asked to pursue deductible income for which you may be eligible, including social security and workers' compensation benefits. The Standard may ask you to provide written documentation that you are actively pursuing these or other applicable benefits.



You will also be required to report other deductible income, such as part-time employment. To report any additional income such as social security disability, worker's compensation, or part-time employment, you must submit a copy of the notification letter from social security, a copy of the workers' compensation settlement, or a copy of your current pay stub.

If you receive payment, including any retroactive payments, from social security, workers' compensation, or a part-time job, you must promptly refund any overpayment from your LTD benefit to The Standard. If you do not, The Standard may reduce or withhold future benefits until the overpayment has been repaid.

### When Benefits End

LTD benefits end automatically on whichever of these dates occur first:

- The date you are no longer disabled.
- The date you first become eligible to receive unreduced (normal) retirement benefits from MOSERS.
- The date you begin receiving reduced (early) retirement benefits from MOSERS.
- The date benefits become payable under any other group long-term disability insurance policy.
- The date you are able to work, but do not accept available employment.
- The date you die.

## EXCLUSIONS AND LIMITATIONS ON LTD BENEFITS

### Exclusions

Your LTD benefit is subject to certain exclusions and limitations.

You are **not** covered for a disability caused or contributed to by:

- A pre-existing condition or the medical or surgical treatment of a pre-existing condition, unless, on the date you become disabled, you: (1) have been continuously insured by The Standard for 12 months (exclusion period) and (2) have been actively at work for at least one full day after the end of those 12 months.
- An intentionally self-inflicted injury, while sane or insane.
- War, or any act of war.
- Loss of license or certification.
- A disability caused or contributed to by your committing or attempting to commit an assault or felony, or active participation in a violent disorder or riot.

The payment of benefits is limited to 12 months for each period of continuous disability while you reside outside the United States or Canada.

### Limitations

LTD benefits are not payable for:

- Any period of disability when you are not under the continuous care of a physician in the appropriate specialty as determined by The Standard.
- More than 24 months during your lifetime for a disability caused or contributed to by use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.
- Foreign residency beyond 12 months.
- Electing not to work when you are able to do so (see page 10).
- Any period of disability when you are not participating in good faith in a rehabilitation program, medical treatment, or vocational training approved by The Standard unless your disability prevents you from participating.

## LTD INCOME

### Calculating Your Monthly LTD Benefit

Now that you're familiar with the criteria that can determine your maximum and minimum monthly LTD benefit, let's look at an example of how an LTD benefit payment is calculated and how it can be impacted by potential sources of deductible income. MOSERS will use the greater of your (1) current monthly compensation, or (2) the average monthly compensation for the highest 36 consecutive months to determine your pre-disability earnings. Your LTD plan provides a benefit equal to 60% of your pre-disability earnings (offset by deductible earnings).

$$\text{Pre-disability Earnings} \quad \times \quad \text{LTD Replacement (60\%)} \quad = \quad \text{Maximum Disability Benefit}$$

The next step is to determine any sources of deductible income and calculate the reduction. See pages 6-7 for sources of deductible income.

$$\text{Maximum Disability Benefit} \quad - \quad \text{Deductible Income} \quad = \quad \text{LTD Benefit}$$

#### **Sample Calculation:**

For this example, all dollar amounts are pre-tax (gross) and the following assumptions have been made:

Pre-disability Earnings (current monthly compensation was greater).....	\$2,000 per month
LTD Replacement .....	60% (.60)
Deductible Income (social security) .....	\$625 per month

#### Maximum Disability Benefit Calculation

Pre-disability Earnings	x	LTD Replacement (60%)	=	Maximum Disability Benefit
<b>\$2,000</b>	x	<b>.60</b>	=	<b>\$1,200 per month</b>

#### Deductible Income Calculation

Maximum Disability Benefit	-	Deductible Income	=	Disability Benefit
<b>\$1,200</b>	-	<b>\$625</b>	=	<b>\$575 per month</b>

### Tax Implications of Your LTD Benefit

Your LTD benefit is an employer-paid benefit, and is considered to be income similar to receiving a wage or salary. Therefore, your LTD benefit is subject to certain federal and state taxes. Medicare and social security taxes will also be deducted from your LTD benefits. It may be advisable to consult a tax advisor to see how you may be affected. If you wish to have taxes withheld from your monthly LTD benefit, The Standard will provide you with the necessary forms. Each year, The Standard will also send you a W-2 for use in preparing your income tax return.

Your LTD benefit may be subject to certain federal and state taxes.

For more information regarding tax implications on your LTD benefit, please contact The Standard at (800) 378-4577 or contact your local tax advisor.

## RETURN TO WORK INCENTIVE

See pages 19-20 for the definition of *own and any occupation*.

### Return to Work Responsibility

If you elect not to work when you are able to do so, your disability benefits will be discontinued. During the *own occupation period*, The Standard will not pay benefits for any period in which you are able to work in your own occupation and earn at least 20% of your indexed pre-disability earnings, but you elect not to work. During the *any occupation period*, The Standard will not pay benefits for any period when you are able to work in any occupation and are able to earn at least 20% of your indexed pre-disability earnings, but you elect not to work.

### Return to Work Incentive

Providing incentives for disabled employees to return to work is critical for any successful rehabilitation plan.

Disability benefits will end if you are able to work in your own occupation, or any other reasonable occupation, but do not accept available employment.

During the 24 months immediately after you first return to work, The Standard's LTD benefit will be reduced by only the amount of work earnings which, when added to your maximum LTD benefit, cannot exceed 100% of indexed pre-disability earnings. Following that period, The Standard will deduct one-half of work earnings while you remain disabled. Frequently, this means that claimants who return to work will receive more total income than those who do not.

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#### ***Sample Calculations for Return to Work Incentive First 24 Months***

For this example, the following assumptions have been made:

Pre-disability Earnings (current monthly compensation was greater).....\$2,000 per month  
 Maximum Disability Benefit (60% of pre-disability earnings).....\$1,200 per month

**Your maximum disability benefit plus your work earnings cannot exceed your pre-disability earnings.**

#### Calculation for Member Working One-Quarter Time (25%)

Pre-disability Earnings	x	Work Percentage (25%)	=	Part-time Work Earnings
\$2,000	x	.25	=	\$500
Maximum Disability Benefit	+	Part-time Work Earnings	=	Total Earnings
\$1,200	+	\$500	=	\$1,700

**Total earnings (\$1,700) are less than pre-disability earnings (\$2,000), therefore there is no reduction of the disability benefit.**

#### Calculation for Member Working Half-Time (50%)

Pre-disability Earnings	x	Work Percentage (50%)	=	Part-time Work Earnings
\$2,000	x	.50	=	\$1,000
Maximum Disability Benefit	+	Part-time Work Earnings	=	Total Earnings
\$1,200	+	\$1,000	=	\$2,200

**Total earnings (\$2,200) are greater than pre-disability earnings (\$2,000), therefore the disability benefit is reduced by \$200.**

Partial employment is dependent on whether or not your employer can accommodate a part-time work schedule.

**Sample Calculation for 24 Months After You First Return to Work**

For this example, the following assumptions have been made:

Pre-disability Earnings (current monthly compensation was greater).....\$2,000 per month

Maximum Disability Benefit (60% of pre-disability earnings).....\$1,200 per month

**LTD benefit will be reduced \$1 for every \$2 of work earnings.**

Calculation for Member Working Half-Time (50%)

Pre-disability Earnings	x	Work Percentage (50%)	=	Part-time Work Earnings
\$2,000	x	.50	=	\$1,000
Maximum Disability Benefit	-	Part-time Work Earnings	=	Disability Earnings
\$1,200	-	\$500	=	\$700
Part-Time Work Earnings	+	Disability Earnings	=	Total Earnings
\$1,000	+	\$700	=	\$1,700

**MAINTAINING YOUR BENEFITS**

You will periodically be sent information from The Standard regarding the status of your disability claim. During the first 24 months of your disability benefit (*own occupation period*), your claim will be reviewed to determine if you are disabled from any occupation that fits within your education, training or experience. If a determination is made that you are not disabled from *any occupation* your LTD claim will be terminated at the end of your *own occupation period*. In addition, during the *own occupation period*, The Standard will continue to gather medical evidence in support of your inability to perform your own occupation. For payments to continue through the end of the first 24 month period, the medical evidence must continue to support your disability under the *own occupation period*.

You may be eligible for certain rehabilitation programs as a result of your disability. You may speak with your disability analyst at The Standard regarding possible rehabilitation programs suited for you.

**DUAL EMPLOYMENT PROVISION**

If you work at more than one full-time position for the state of Missouri and become disabled, the following will apply:

- If you are disabled from all your positions, your pre-disability earnings will be based on your earnings for all your positions.
- If you are disabled from one of your positions and you continue to work in the others, your work earnings will be considered deductible income as described in the return to work incentive section (see page 10).
- If you are disabled from one of your positions and you elect not to work in the others, your pre-disability earnings will be based only on your earnings for the position from which you are disabled.

## TEMPORARY RECOVERY AND NEW DISABILITIES

### Temporary Recovery

If you temporarily recover from your disability for a period of time, but later suffer a relapse and become disabled again from the same cause or causes, you may not have to begin a new benefit waiting period depending on the length of the period of temporary recovery. A new benefit waiting period is not required if:

If you temporarily recover during your benefit waiting period, and the period of recovery does not exceed 30 days, a new benefit waiting period is not required.

- The temporary recovery occurs during the benefit waiting period and the period of recovery does not exceed 30 days.
- The period of recovery occurs during the maximum benefit period and does not exceed 180 days.

If your temporary recovery does not exceed the allowable periods outlined above, the following provisions will apply:

- No LTD benefits will be payable for the period of temporary recovery.
- The temporary recovery period will not count toward your benefit waiting period, your maximum benefit period, or your own occupation period.
- The pre-disability earnings used to determine your LTD benefits will not change.
- No LTD benefits will be paid after benefits become payable under any group long-term disability policy during your temporary recovery period.

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### New Disabilities

If a period of disability is extended by a new cause while LTD benefits are payable, LTD benefits will continue while you remain disabled. However, LTD benefits will not continue beyond the end of the original maximum benefit period, and all other provisions of the group policy will apply to the new cause of disability.

## DEATH AND YOUR LTD BENEFITS

### Death Before Approval of Disability Benefits

If you die after the benefit waiting period, but before approval or denial for disability, your long-term disability claim will continue through the review process. If you are determined to have been disabled, your estate will be paid a lump-sum benefit for the time between the end of the benefit waiting period and your date of death. Your surviving spouse and/or children will then be eligible to receive survivor benefits from The Standard.

If you die while receiving LTD benefits, your eligible spouse (or children) may receive a lump-sum survivor benefit.

### Survivor Benefits

If you die while receiving LTD benefits, The Standard will pay a survivor benefit. This benefit is a lump sum equal to three times your monthly LTD benefit without reduction by deductible income. The survivor's benefit is intended to meet a portion of your family's financial needs in the event of your death. The benefit will be paid to your surviving spouse or your unmarried children younger than **age 25**. If you are not survived by an eligible spouse or child, no survivor benefit will be paid.

In the event there is an overpayment outstanding to The Standard at the time of your death, the survivor benefit will be applied toward the overpayment.

## REASONABLE ACCOMMODATIONS

As your disability insurer, The Standard knows that most individuals who become disabled would prefer to be leading full, productive lives. An important part of The Standard's philosophy is to assist individuals to return to work as soon as they are able to do so.

The Reasonable Accommodations Expense Benefit may reimburse your employer up to \$25,000 for modifications to your workstation.

The Standard believes that efforts to assist employees' return to employment have the best chance of success when begun as soon as possible. Often, your employer is in the best position to identify individuals who could utilize The Standard's expertise. The Standard's goal is to work with you, your employer, and your treating physician, to deliver service resulting in getting you back to work.

Your disability policy includes a **Reasonable Accommodation Expense Benefit**, and a **Rehabilitation Plan Provision**, that encompasses an array of possible vocational interventions. These funds (up to \$25,000) may allow The Standard, at their discretion, to pay an employer's expenses toward any necessary worksite modifications that result in a disabled employee's return to work, as well as other types of accommodations, such as training, job development services, ergonomic evaluations, and occupational therapy, among other possible vocational interventions. In most cases the Reasonable Accommodations Expense Benefit will be paid directly to your employer or the vendor providing the modification. If paid directly to you, the benefit will be considered a taxable benefit.

If you would like more information about this process, claim prevention (Workplace Possibilities Program), or return to work services for employees who are on active disability, you or your employer may contact The Standard at **888-WRK-ABLE (888-975-2253)**.

The Standard will partner with you in your efforts to return to work. If you believe you would benefit from such assistance, please call the above number and The Standard will conduct an initial assessment and then strategize possible return to work solutions.



## Applying for LTD Benefits

### THE CLAIMS PROCESS

You must complete a Long-Term Disability Benefits Claim Packet to apply for LTD Benefits. It is the responsibility of the member to make sure all required forms and authorizations in this packet are completed by the appropriate party and submitted to The Standard.

Your application for LTD benefits will also serve as your application for waiver of your MOSERS life insurance premiums.

Form Name	Responsibility
• <i>Employee's Statement</i>	Completed by Member
• <i>Authorization to Obtain and Release Information</i>	Signed by Member
• <i>Authorization to Obtain and Release Psychotherapy Notes</i>	Signed by Member
• <i>Attending Physician's Statement</i>	Part A - Completed by Member Part B - Completed by Physician
• <i>Employer's Statement</i>	Completed by HR Representative

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The Long-Term Disability Benefits Claim Packet is available on the MOSERS website or from the MOSERS office. To access it online, visit [www.mosers.org](http://www.mosers.org). In the **Members** section click on **Benefits** and then the **Long-Term Disability** link.

### Required Filing Dates

You should submit the required forms as soon as possible after becoming disabled. All forms must be mailed to The Standard no later than 90 days after the end of your benefit waiting period (which is also 90 days). If your claim forms are not sent to The Standard within one year of the initial 180-day period, your claim will be denied. These time limits do not apply if you lack legal capacity to perform the filing procedure.

### Costs Associated With Applying for Benefits

There are certain costs for which you will be responsible when you file a claim for LTD benefits. You will be responsible for paying any costs associated with the completion of the *Attending Physician's Statement*.

If The Standard requests it, you may be required to provide evidence of continuing disability at your expense. In some cases, a physician hired by The Standard may be required to examine you to determine disability. In such cases, The Standard will pay the costs of the examination.

## THE APPROVAL PROCESS

The Standard will begin the review process on your disability claim once they have received all of the forms and authorizations completed in the claims process.

If your LTD claim is denied, suspended, or terminated, you will have 180 days to submit a written appeal to The Standard.

Your application will be reviewed by a disability analyst from The Standard. Based on the specific nature of your case, your claim may be evaluated by additional experts as well. The approval process may take anywhere from one week to four months, depending on your individual situation. To avoid unnecessary delays, make sure to submit the forms mentioned on page 14 as quickly as possible. In some cases, The Standard will require additional medical information in order to make a determination. If additional information is necessary, you will be informed in writing of what is needed, and why it is relevant. You will be notified in writing of the evaluation outcome, and the reason for approval or denial of your claim.

If you are approved, your first disability benefit payment will be issued on the first day of the month after your approval date. For example, if you are approved for disability on March 19, your first benefit payment would be issued on April 1. All future benefit payments will then be made on the first day of each month.

## DENIAL, SUSPENSION, OR TERMINATION OF AN LTD CLAIM

The Standard will notify you in writing if your disability claim is denied, suspended, or terminated. The company will outline the reason why, referring to the group policy provisions on which the denial, suspension, or termination is based.

### Appeal Procedures

If your claim is denied, suspended, or terminated, you will be informed by The Standard of what steps you can take to resubmit your claim for review and reconsideration. If you disagree with the amount of LTD benefits being paid or if your claim is denied, suspended, or terminated, you may ask for a review and submit any additional information you think may be helpful in order to reevaluate your claim.

You must make your request in writing to The Standard within 180 days after you received notice of the denial, suspension, or termination. If any additional information is needed to process your appeal, it will be promptly requested from you. The decision on any review of your appeal will be stated in writing from The Standard. The reasons for the decision will be fully explained, with reference to the applicable provisions of the group policy. Ordinarily, a decision on your appeal will be reached within 45 days after the receipt of your review request. However, in special circumstances, an additional 45 days may be necessary to reach a final decision.

The obligation to provide disability benefits is primarily that of the insurance carrier (The Standard) and secondarily that of the MOSERS board. If you are denied disability benefits after following the appeal procedures listed above, you may appeal the decision by filing a petition against the insurance carrier in a court of law in your county of residence.

Neither MOSERS nor our board of trustees is liable for the disability benefits provided by the insurance carrier and are not subject to litigation with regard to disability benefits unless you obtain a judgement against the insurance carrier and it is unable to satisfy your judgement.





## Other Important Information

### RETAINING LIFE INSURANCE & MEDICAL BENEFITS

#### Waiver of Life Insurance Premiums

If you have basic, optional, or dependent life insurance and become disabled while actively employed, you may be eligible to continue your life insurance without paying any premium. Your application for LTD benefits will also serve as your application for a waiver of your MOSERS life insurance premiums.

To be eligible for a waiver of premiums you must meet the following conditions:

- You are totally disabled from sickness, accidental injury, or pregnancy rendering you unable to perform the material duties of any work for which you are reasonably qualified by education, training, and experience.
- Your disability occurs prior to age 60.
- You have completed a 90-day waiting period beginning on the date you become totally disabled.
- You are not retired or eligible for normal retirement.

If you qualify for a waiver of premiums, all premiums will be waived including those for spouse and/or child(ren) coverage. The waiver for your coverage will cease upon normal retirement eligibility or retirement; as will the waiver for your dependents' coverage. You may continue at least a portion of your optional coverage into retirement at which time you will be responsible for the premiums. Detailed information regarding the waiver of premiums may be found in your *Life Insurance Handbook*.

#### Retaining Medical Benefits

If eligible, your health insurance will continue to be administered by the Missouri Consolidated Health Care Plan (MCHCP). They will send you a bill each month for the cost of the premium to maintain your coverage until you retire or return to active employment. Employees of the Department of Conservation, State Technical College of Missouri, and Lincoln University should contact their employer for information regarding medical insurance.

### CALCULATING YOUR RETIREMENT BENEFIT

For retirement purposes only, you will continue to accrue service and salary credit while receiving disability benefits (as if you were still working). Your gross monthly salary on the date of your disability will be adjusted (based on 80% of the percentage increase in the Consumer Price Index) for each year that you were receiving disability benefits.

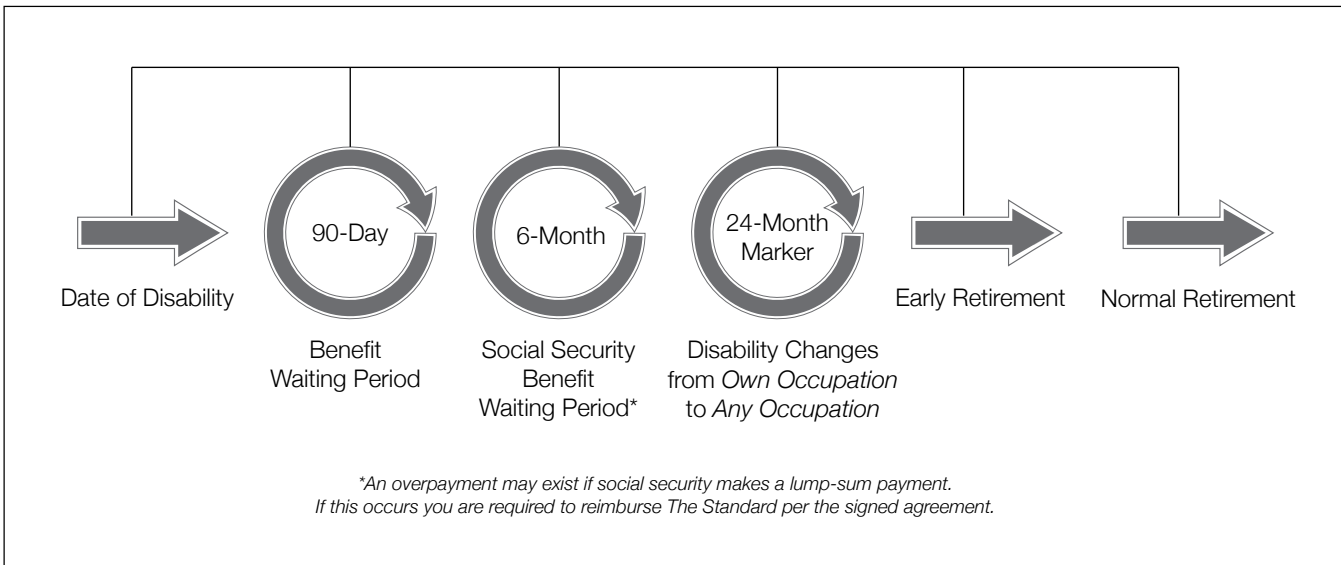
This safeguards you from being penalized for not actively working until retirement. Even those MOSERS members employed by Missouri colleges and universities will continue to earn credit for service accrued during disability.

According to 104.410.6 RSMo, "Any member who qualifies for disability benefits under a LTD program provided by the member's employing department as a consequence of employment by the department shall continue to accrue creditable service based on the member's rate of pay." This covers all members, including those employed by colleges and universities.

MOSERS will send you a notice of retirement eligibility approximately 120 days prior to the latter of your date of retirement or the date your LTD benefit is scheduled to end.

If you are not approved for a waiver of life insurance premiums, and wish to maintain coverage, MOSERS will send you a bill each month to cover the cost of the premiums.

## PERTINENT DATES FOR LTD



### LTD benefit payments will start on the latter of:

- The end of the benefit waiting period.
- When your sick leave expires.

### LTD benefit payments will stop when you:

- Are no longer disabled.
- Begin receiving early (reduced) retirement benefits.
- Are eligible to receive normal (unreduced) retirement benefits.
- Begin receiving benefits under another group long-term disability policy.
- Return to full-time active employment.
- Are able to work, but do not accept available employment.
- Die.

# Certificate of Insurance

## GROUP POLICY NUMBER

604201

## NAME AND ADDRESS OF INSURANCE CARRIER

Standard Insurance Company  
Group Benefits Department  
P. O. Box 2800  
Portland, OR 97208-2800  
Claims: (800) 378-4577

## NAME AND ADDRESS OF POLICYHOLDER

Board of Trustees  
Missouri State Employees' Retirement System (MOSERS)  
907 Wildwood Drive  
Jefferson City, MO 65109  
(573) 632-6100 or (800) 827-1063

- This is not an insurance policy. The group policy is held by MOSERS.
- All claims must be filed through MOSERS. Claims are subject to the terms of the group policy.
- As long as you meet the eligibility requirements set forth in group policy number 604201, you will have long-term disability coverage through MOSERS.
- For details regarding your life insurance coverage, please refer to your *Life Insurance Handbook*.

## EFFECTIVE DATE

January 1, 2017



## Glossary

### Definition of Terms

To understand your LTD coverage and benefits, familiarize yourself with the following definitions. Remember, these definitions are specific to the contract between MOSERS and The Standard. You should not assume these definitions are applicable outside the scope of this contract.

## A

**Active Work** - Active work means performing the material duties of your own occupation at your employer's usual place of business. If you are incapable of active work because of sickness, injury, pregnancy, or mental disorder on the day before the scheduled effective date of your disability insurance, your disability insurance will not become effective until the day after you complete one full day of active work as an eligible member.

You will also meet the active-work requirement if you were:

- Absent from active work because of a regularly scheduled day off, holiday, or vacation day.
- Actively at work on your last scheduled work day before the date of your absence.
- Capable of active work on the day before the scheduled effective date of your insurance.

## B

**Benefit Waiting Period** - The benefit waiting period is the period of time that must pass before LTD benefits are payable to you. You must be continuously disabled during this waiting period, and no LTD benefits will be paid during this period.

The benefit waiting period begins on the date you first become disabled, as determined by The Standard, and is normally the day after your last full day on the job.

The benefit waiting period ends when sick leave benefits expire or the date you've been disabled for 90 days, whichever is later.

## D

**Date of Disability** - The date on which you first become disabled.

**Deductible Income** - Other sources of income considered by The Standard, which offset your LTD benefits (i.e. social security, sick pay, salary continuation, workers' compensation for lost time, work earnings, or any other benefits received under another group disability insurance plan).

**Disability** - For the purposes of your LTD coverage, **The Standard defines disability two ways — *own occupation disability*, and *any occupation disability***. It is important that you understand the distinctions between the two definitions of disability and how each impacts your benefits. Remember, too, that for The Standard to determine you are disabled, you must be under the continuous and appropriate care of a physician.

- ***Own Occupation Disability*** - During the benefit waiting period (previously defined) and the 24 months following that period, you are deemed disabled from your own occupation if as a result of physical disease, injury, pregnancy, or mental disorder, (1) you are unable to perform with reasonable continuity the material duties of your own occupation, and (2) you suffer a loss of at least 20% of indexed pre-disability earnings while **working** in your own occupation. Your own occupation is not limited to your job with your employer.

During your *own occupation period*, you may work in another occupation while you meet the own occupation definition of disability. However, you will

no longer be considered disabled when your work earnings from another occupation meet or exceed 80% of your indexed pre-disability earnings. Your work earnings may be deductible income.

Own occupation means any employment, business, or profession that involves material duties similar to that which you are regularly performing for your employer when your disability begins.

- **Any Occupation Disability** - After the benefit waiting period and the following 24 months, you are disabled if, as a result of physical disease, injury, pregnancy, or mental disorder, you are unable to perform the material duties of *any occupation*. *Any occupation* means any occupation or employment which you are able to perform whether due to education, training, or experience, which is available at one or more locations in the national economy, and in which you can be expected to earn at least 60% of your indexed pre-disability earnings within 12 months following your return to work, regardless of whether you are working in that or any other occupation.

## M

**Maximum Benefit Period** - The maximum benefit period is the maximum amount of time that LTD benefits are payable for one period of continuous disability. The maximum benefit period ends on the earlier of the following events:

- The date you first become eligible to receive normal (unreduced) retirement benefits from MOSERS.
- The date you begin receiving reduced (early) retirement benefits from MOSERS.

## P

**Pre-disability Earnings** - Pre-disability earnings are income used to determine your disability payment. It is the greater of the following amounts:

- The average of your highest 36 consecutive months of pay.
- Your monthly earnings in effect on your last full day of active work.

Pre-disability earnings does not include overtime or any other extra compensation paid by your employer.

**Pre-existing Condition** - A pre-existing condition is a mental or physical condition, whether or not diagnosed or misdiagnosed, for which you have done any of the following during the 90 days just before your disability insurance becomes effective:

- Consulted a physician.
- Received medical treatment or services.
- Taken prescription drugs or medicine.
- Undergone diagnostic procedures.

After your insurance is in effect for 12 months, you are no longer subject to the pre-existing condition exclusion.

## W

**Work Earnings** - Work earnings includes not only your gross monthly earnings from work performed while disabled, but also earnings you could receive if you worked as much as you are able, considering your disability, in work that is reasonably available.

Work earnings include earnings from your employer, any other employer, or self-employment. It also includes any sick, vacation, annual or personal leave pay, or other salary continuation earned or accrued while working.

*Visit MOSERS' website for the most  
current version of this publication.*

**Missouri State Employees' Retirement System**

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