

Your Long Term Disability (LTD) Plan

UPDATED 2007

If you are unable to work for a long period of time due to illness, injury or pregnancy, the LTD plan can be a source of steady income.

For your security, The Sound Partnership's Long Term Disability (LTD) Plan will replace 60% of your regular monthly pay. This coverage is automatic for eligible employees.

This brochure includes highlights of The Sound Partnership's LTD Plan, which is insured by Standard Insurance Company. To help you better understand your LTD benefits, a *Disability Dictionary* has been included beginning on page 7.

For more details about LTD, you may contact The Sound Partnership at **(253) 571-1240** or at **(253) 571-1103**.



This is intended only as a highlights of the plan—it is not a summary plan description. If there is a conflict between these highlights and the official plan documents, the official plan documents will prevail. The Sound Partnership reserves the right to amend or terminate the plan or any plan provision at any time. This is not an employment contract or a guarantee to continue employment for any length of time.

About the LTD Plan

The LTD plan is designed to provide monthly disability income you can count on. Benefits are available whether disability occurs on or off the job.

Who Is Eligible

You are eligible for this LTD plan if you work half-time (.5 FTE) or more and you are an employee of Tacoma School District #10.

Exception: You are *not* eligible if you are a temporary or seasonal worker or if you belong to any other bargaining group which has declined to participate in this plan.

Cost

The Sound Partnership pays the full monthly cost of your LTD coverage.

When Coverage Begins

LTD coverage begins the first day of the month falling on or following your date of hire.

When Coverage Ends

Coverage ends on the earliest of these dates:

- The last day of the month in which you cease active work, end employment or are otherwise no longer an eligible employee. If you are on an approved leave, your coverage will continue for 90 days.
- The day the plan terminates.

After your coverage ends, you will not be able to purchase continued coverage under The Sound Partnership LTD plan.

Initial Enrollment for LTD

- If you become disabled due to a pre-existing condition *within 12 months after your coverage **first** begins*, the plan will not pay any LTD benefits.
- For this initial coverage period, a *pre-existing condition* means a mental or physical condition for which you consulted a physician or other licensed medical professional, received medical treatment, services or advice, or took prescribed drugs or medications during the 90-day period before your coverage began.

For example...

After Rachel, a bus driver, first came to work, her LTD coverage went into effect May 1, 2004.

- If she becomes disabled due to a pre-existing condition within 12 months after her coverage initially begins—anytime from May 1, 2004 through April 30, 2005—the plan will not pay LTD benefits.
- In this case, a pre-existing condition would include any condition which occurred during February, March, or April—the three-month period before Rachel's coverage began.

LTD Benefits

LTD benefits become payable after you have completed the benefit waiting period, that is, the first 90 days of continuous disability.

What the Plan Pays

The plan will replace 60% of your regular pre-disability earnings.

For example...

Say you are earning \$1,500 per month when you become disabled. In this case, the plan's monthly benefit equals **\$900**—60% x \$1,500.

Maximum LTD Plan Benefit

The most the plan will pay in benefits per month is \$5,000.

Minimum LTD Plan Benefit

The least the plan will pay in monthly benefits is \$100.

Other Sources of Income

Benefits from the LTD plan are reduced by *income from other sources*, including Social Security and other examples included in the *Disability Dictionary* beginning on page 7. Together, your plan benefit plus your other sources of income will pay at least as much as you would receive from the plan alone.

Your plan benefits will combine with other sources of disability income like this:

- **For most employees**, combined benefits from the plan and other sources may equal more than 60%—up to a maximum of **70%**—of pre-disability earnings.

For example...

Tracy was earning \$2,500 per month when she became disabled. After a period of time, she also qualifies for \$598 in disability benefits from Social Security.

- Her LTD benefit alone equals **60%** x \$2,500—\$1,500 per month.
- Her plan benefit plus her Social Security benefits may equal a maximum of \$1,750 per month, that is **70%** of her pre-disability earnings. Consequently, Tracy would receive \$1,152 per month from the LTD plan—\$1,750 *minus* \$598 from Social Security.

- **For para-educators, bus drivers, food service, maintenance workers, custodial and security employees,** combined benefits from LTD and other sources of income will pay a maximum of **60%** of monthly pre-disability earnings.

For example...

John, a covered custodial employee, qualifies for LTD benefits. He was earning \$1,650 when he became disabled. After a period of time, he also qualifies for \$740 in disability benefits from Social Security.

- His LTD benefit alone equals 60% x \$1,650—\$990 per month.
- His plan benefit plus his Social Security benefits may equal a maximum of \$990 per month, that is **60%** of his pre-disability earnings. Consequently, John would receive \$250 per month from the LTD plan—\$990 *minus* \$740 from Social Security.

Back to Work Benefits (Rehabilitative Benefit)

If you return to work part-time while disabled, you may still qualify for an LTD benefit. Depending on how much you earn at your job, your earnings could reduce benefits payable by the plan—but, in any case, your part-time earnings plus LTD benefit may still add up to more than your plan benefit alone.

To see if you qualify for this Rehabilitative Benefit, you can check with The Sound Partnership.

How Long Benefits May Continue

Benefits may continue until you reach age 65 or you recover, whichever comes first. If you are age 62 or older when you become disabled, benefits may continue past age 65.

Survivor's Benefit

If you die while LTD benefits are payable, the plan will pay your eligible survivors a lump sum benefit equal to three times your monthly LTD benefit provided you've been continuously disabled for 180 days prior to your death. This amount will not be reduced by other sources of income or rehabilitative earnings.

Exclusions and Limitations

- The plan does not cover disability caused by or contributed to by war or by an intentional self-inflicted injury.
- Unless you are hospitalized, the plan will pay benefits for a maximum of 24 months for a disability caused by or contributed to by a mental disorder, substance abuse or other limiting conditions such as chronic fatigue syndrome, any allergy or sensitivity to chemicals or the environment, chronic pain condition, carpal tunnel, repetitive motion syndrome, TMJ or craniomandibular joint disorder.

Disability Dictionary

Actively at work: If you are gone from work due to illness, injury, or pregnancy on the day your LTD coverage is supposed to begin, coverage will not start until after you have been back at your regular work for one full day.

Benefit waiting period: The length of time you must be continuously disabled before LTD benefits are payable. For this plan, the benefit waiting period is 90 consecutive days.

Disabled: Due to physical disease, injury, pregnancy, or mental disorder...

For most employees:

- **First 58 months of LTD benefits:** You are unable to work at your own occupation or you are unable to earn more than 80% of your pre-disability earnings while working at your own occupation. There is no limit to the amount you can earn while working in another occupation if you are disabled and cannot work in your own occupation.
- **After 58 months of LTD benefits:** You are unable to work at any occupation for which you are reasonably fitted by education, training or experience or unable to earn more than 60% of your pre-disability earnings while working in your own or any occupation.

For para-educators, bus drivers, food service, maintenance workers, custodial and security employees:

- **First 24 months of LTD benefits:** You are unable to work at your own occupation or you are unable to earn more than 80% of your pre-disability earnings while working at your own occupation. There is no limit to the amount you can earn while working in another occupation if you are disabled and cannot work in your own occupation.
- **After 24 months of LTD benefits:** You are unable to work at any occupation for which you are reasonably fitted by education, training or experience or unable to earn more than 60% of your pre-disability earnings while working in your own or any occupation.

Income from other sources: This includes most other income paid to you or your family because of disability. Some examples: sick pay or other salary continuation, Social Security benefits, certain retirement benefits including PERS, TRS, and SERS retirement benefits, Workers' Compensation, unemployment benefits, and disability income you receive from any other plan sponsored by your employer.

Pre-disability earnings: If you become disabled, your LTD benefit will be based on your earnings immediately prior to your disability. Your "earnings" include your regular monthly and shift differential pay, if applicable, plus your contributions to deferred compensation, but excludes bonuses, overtime pay, and any other extra compensation.

Recurring disabilities: If you are receiving LTD benefits, and cease to be disabled for less than 180 days, then become disabled again from the same cause, your plan benefits will resume with no new benefit waiting period required.