



# Voluntary Long Term Disability (LTD) Benefit Summary

Effective Date: 01/01/2019

This chart provides you a brief summary of the key benefits of the long-term disability coverage available from Principal Life Insurance Company. Following the chart, you will find additional information to answer questions you may have. For a complete list of all your long-term disability coverage benefits and restrictions, please refer to your booklet or contact your employer.

**Within 30 days of delivery, an individual age 65 or older, if not satisfied for any reason, may return the booklet and have premium fully refunded and coverage terminated retroactive to the original effective date. Premium refund shall occur no later than 30 days following the date we receive the returned booklet.**

Eligibility	
Job Class	<b>Non Colorado Members</b>
Eligible Members	All active, full time employees (except seasonal, temporary, or contract workers) who work at least 30 hours per week
Benefits Payable	
Primary Monthly Benefit	60% of your predisability earnings up to \$10,000.
Benefit Amount	Primary monthly benefit less other income sources
Definition of Earnings	Base wage
Benefit Qualification	
Elimination Period	90 days
Own Occupation Period	2 years
Maximum Benefit Payment Period	To Social Security Normal Retirement Age
Additional Benefits	
Rehabilitation Incentive Benefit	5% increase in the monthly benefit percentage
Survivor Benefit	Three times your primary monthly benefit less other income sources to your survivor.
Limitations & Exclusions	
Pre-Existing Conditions	3 months prior/12 months insured
Other Limitations	There are additional limitations to your coverage. A complete list is included in your booklet.

## Understanding Your Long-Term Disability (LTD) Benefits

### Am I Eligible For Coverage?

To be eligible for coverage, you must qualify as an eligible member and be considered actively at work.

You will be considered actively at work if you are able and available for active performance of all of your regular duties. Short term absence because of a regularly scheduled day off, holiday, vacation day, jury duty, funeral leave, or personal time off is considered active work provided you are able and available for active performance of all of your regular duties and were working the day immediately prior to the date of your absence.

### How Do I Qualify For Benefits?

1) **Meet the Definition of Disability.** Disabilities must be solely and directly caused by injury or sickness (including pregnancy).

<p><b>During the elimination period and the own occupation period, one of these situations must apply:</b></p>	<p><b>Residual Disability</b></p> <ul style="list-style-type: none"> <li>You are not totally disabled and while working in your own occupation, as a result of sickness or injury, you are unable to earn 80% or more of your predisability earnings.</li> </ul> <p><b>Total Disability</b></p> <ul style="list-style-type: none"> <li>You are unable to perform with reasonable continuity, the substantial and material duties necessary to pursue your own occupation and you are not working in your own occupation.</li> </ul>
<p><b>After completing the own occupation period, one of these situations apply:</b></p>	<p><b>Residual Disability</b></p> <ul style="list-style-type: none"> <li>You are not totally disabled and while working in an occupation, as a result of sickness or injury, you are unable to engage with reasonable continuity in any other occupation in which you could reasonably be expected to perform satisfactorily in light of your age, education, training, experience, station in life and physical and mental capacity.</li> </ul> <p><b>Total Disability</b></p> <ul style="list-style-type: none"> <li>You are unable to perform with reasonable continuity in any occupation for which you are or could reasonably be expected to perform satisfactorily in light of your age, education, training, experience, station in life, and physical and mental capacity.</li> </ul>

2) **Satisfy the Elimination Period.** The amount of time you must be disabled before receiving benefits is called the elimination period. Long-Term Disability benefits begin after you have been disabled for 90 days. The elimination period can be satisfied with days of total or partial disability.

If you recover and return to work during the elimination period and become disabled again, you may not have to satisfy a new elimination period. If you become disabled again, your elimination period will pick up at the point where it was left off when you recovered. You have a period twice as long as the elimination period to satisfy the required number of days of disability.

### How Much Monthly Benefit Will I Receive?

Your benefits will be determined based on your Base wage.

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When you are unable to work in any capacity during the benefit payment period, your **monthly benefit** equals your primary monthly benefit, less income from other sources.

Your **primary monthly benefit** is equal to 60% of your predisability earnings, but will not exceed \$10,000.

Your monthly benefit will not be less than the minimum monthly benefit of \$100.

### Benefits if Working

If you are able to work while disabled, you may still be eligible to receive a disability benefit.

If you are working during the benefit payment period, your monthly benefit for the 12 month work incentive period is the lesser of:

- 100% of the indexed earnings you received before becoming disabled, less income from other sources, less current earnings; or
- Your primary monthly benefit, less income from other sources.

After the work incentive period, your monthly benefit equals your primary monthly benefit, less income from other sources and multiplied by your income loss percentage.

**Income you receive from other sources** can be deducted from your primary monthly benefit. Other sources include: All retirement or disability benefits that you and your dependents receive from Social Security, Canadian Pension Plan, Quebec Pension Plan, Railroad Retirement Act or other government agencies / Salary continuance, personal time off or sick pay / Workers' Compensation benefits / Income from state disability plans from policies that provide coverage for time away from work, if paid in part by or deducted from payroll by the policyholder / Income from other group disability coverage policies / Disability or retirement benefits paid by pension plans sponsored by the policyholder / Income received from no-fault auto laws / Renewal commissions received from the policyholder / All disability benefits received under the Jones Act or any government retirement system (CalPERS) / All benefits received as a result of the same disability from third party liability judgments, settlements or otherwise (less attorneys' fees) / All benefit amounts received as a result of the same disability by compromise or settlement of any claim for permitted offsets (less attorneys' fees) / Any income you receive for services rendered prior to your Date of Disability will not be considered Other Income Sources.

## How Long Will I Receive My Benefits?

The benefit payment period is the length of time you'll receive benefits for a qualifying disability after the elimination period is satisfied. Your age at the time disability occurs determines the length of time you are eligible to receive disability benefits.

Age Disability Occurs	Benefits are Payable until the later of:
Under Age 65	<i>Social Security Normal Retirement Age (SSNRA) or 36 months</i>
Age 65-67	<i>SSNRA or 24 months</i>
Age 68-69	<i>SSNRA or 18 months</i>
Age 70-71	<i>SSNRA or 15 months</i>
Age 72 and over	<i>SSNRA or 12 months</i>

**Your disability benefits will end when you:** Recover / Cease to be under the regular and appropriate care of a physician / Unreasonably fail to provide any required proof of disability / Unreasonably fail to submit to a required medical examination / Fail to report income from other sources, or any other required earnings information / Fail to pursue Social Security disability benefits / Die.

If you recover and return to work for six months or less during the benefit payment period and then again become disabled from the same or related cause, you are not required to complete a new elimination period.

### What Additional Benefits Are Included?

<b>Work Incentive Benefit</b>	The Work Incentive Benefit is paid to you if you are disabled and you return to work on a limited or part-time basis. To receive benefits, you must be working. The Work Incentive Benefit equals the primary monthly benefit with no offset for work earnings unless the combination of work earnings, disability benefits and other income sources exceeds 100% of your predisability earnings. If this occurs, the Work Incentive Benefit will be reduced by the amount in excess of 100% of your predisability earnings.
<b>Survivor Benefit</b>	The Survivor Benefit is a lump sum payment issued to your survivors, should you die while receiving disability benefits. The benefit payment is equal to three times your primary monthly benefit less other income sources.
<b>Accelerated Survivor Benefit</b>	If you are diagnosed with a terminal illness and your life expectancy is 12 months or less, you may elect to receive the survivor benefit on an accelerated basis. You may receive the full amount of the survivor benefit before death. Survivor benefits paid on an accelerated basis may affect eligibility for public assistance and may be taxable. You should consult your tax advisor with any questions.
<b>Rehabilitation Plan</b>	While disabled, you may qualify to participate in a Rehabilitation Plan. Our rehabilitation staff works with you, your physician(s) and your employer to create an individual rehabilitation plan to assist you in returning to work. If you are not disabled, but have a condition that could prevent you from performing the substantial and material duties of your own occupation, preventive rehabilitation services may be offered.
<b>Rehabilitation Incentive Benefit</b>	The Rehabilitation Incentive Benefit can increase the benefit percentage by 5% if you become totally disabled and participate in and satisfy the requirements of an individual rehabilitation plan.

### What Are The Restrictions Of My Coverage?

This Benefit Summary is a summary only. For a complete list of benefit restrictions, please refer to your booklet.

<b>Preexisting Conditions</b>	<p>A preexisting condition is any sickness or injury for which you:</p> <ul style="list-style-type: none"> <li>• Received medical treatment, care or services for a diagnosed condition in the three month period before you became insured under this policy; or</li> <li>• Took prescribed medications for a diagnosed condition in the three month period before you became insured under this policy; or</li> <li>• Suffered from a physical or mental condition, whether diagnosed or undiagnosed, which was misrepresented or not disclosed in your application:             <ul style="list-style-type: none"> <li>• for which you recieved a physician's advice or treatment within 24 months before you became insured under this policy; or</li> <li>• which caused symptoms within 12 months before you became insured under this policy for which a prudent person would usually seek medical advice or treatment; and</li> </ul> </li> </ul> <p>Benefits will not be paid for a disability that is caused or substantially contributed by a preexisting condition unless, on the date you became disabled, you were actively at work</p>
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<p><b>Preexisting Conditions</b></p>	<p>for one full day after completing 12 consecutive months during which you were insured under this policy.</p>
<p><b>Treatment of Mental Health Conditions and Drug and Alcohol Abuse Conditions</b></p>	<p>A disability is considered due to alcohol, drug or chemical abuse, dependency or addiction or a mental health condition if the disability is caused by one of these condition(s) and not by other disabling conditions.</p> <p>Maximum benefit payment periods for:                      Mental health conditions – 24 months                      Alcohol, drug or chemical abuse conditions – 24 months</p> <p>The benefit payment period listed above is a lifetime maximum for all periods of disability. All disabilities from conditions with the same maximum benefit payment period contribute towards one lifetime maximum.</p> <p>However, if at the end of the benefit payment period, you are confined in a hospital or any other type of facility providing treatment for any of these conditions, the benefit payment period may be extended to include the time period you are confined for treatment.</p>



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This is a summary of life coverage underwritten by or with administrative services provided by Principal Life Insurance Company. This benefit summary is for administrative purposes and is not a complete statement of benefits and restrictions. You'll receive a benefit booklet with details about your coverage. If there is a discrepancy between this summary and your benefit booklet, the benefit booklet prevails.

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