

**Westwood Public Schools / Town of Westwood
Long Term Disability Program Outline – New Hire Enrollment Packet**

- **Guaranteed Issue.** The benefit is a guaranteed issue product, meaning if you sign up as a new hire in your first 30 days of employment, you cannot be denied access to the plan for any reason. However, if you do not elect the coverage as a new hire and then wish to join the plan at a later date, you have to prove evidence of insurability and you may be denied access to the plan. All new enrollees are subject to our plan's pre-existing condition clause outlined below.
- **Benefit: 60% of gross pay to a maximum of \$8,500 per month.** All benefits will be paid income tax free, both federal and state, because the employees are paying the premium with post tax payroll deductions.
- **Elimination Period: 90 Calendar days.** This is the length of time that one has to be out of work due to a disability prior to benefits being eligible.
- **Benefit Duration:** benefits payable for disability to age 65/SSNRA/ADEA (schedules attached).
- **Exclusions:**
 - Intentional self-inflicted injury
 - War, declared or undeclared, or any act of war
 - Committing or attempting to commit an assault, felony or other illegal act
- **Two year limitation** on benefits for:
 - Outpatient drug and alcohol abuse
 - Outpatient mental and nervous disorder
- **Residual/Partial Benefit:** During elimination and benefit period, an employee showing a 20% or greater earnings loss due to disability is benefit eligible. In the elimination period, the days worked on partial basis count towards fulfillment of period. After the elimination period, employee will receive partial benefits not to exceed 100% of pre-disability earnings.
- **Integration/Minimum benefit:** plan offsets with other forms of income including: workers' compensation, social security and retirement awards. Minimum benefit is greater of 10% or \$100 per month.
- **Extended Own Occupation Protection** for all School Employees and Non Fire, Police, DPW, Custodian and Drivers Town Employees; **Two Year Own Occupation** for Fire, Police, DPW, Custodian and Drivers on the Town Side. This is the definition of disability and states when an individual is considered disabled. This definition states that an individual is disabled if he or she is unable to perform one material and substantial duty of his or her own occupation. Two year own occupation protects an employee's own occupation for the first two years of disability.
- **3/12 pre-existing condition clause.** Benefits will not be paid for any disability which begins in the first 12 months of being insured which is due to, or results from, a pre-existing condition. A pre-existing condition is any sickness or injury for which the employee has received treatment, took prescribed drugs or medicines, or consulted a physician during the 3 months prior to the employee's effective date of coverage.

Who should sign up for the long term disability coverage?

All employees not yet at 80% retirement should consider signing up for the coverage. If you are at 80% retirement, or have enough accrued sick leave to get you to 80% retirement if you were to be disabled tomorrow, there is no need for you to sign up for the coverage. All other employees are encouraged to consider the program.

How much does the plan cost?

The single composite rate for our plan is the most competitive in the marketplace for the benefits in our contract. The rate is \$0.47 per \$100 of income and each employee will have the same rate regardless of age or salary. Below are several examples of the costs associated with our plan but the actual cost will be tailored specifically to each employee's individual annual salary.

Annual Salary	Annual Cost	Cost Per Pay Period (based on 26 pays)	Cost Per Pay Period (based on 21 pays)
\$20,000	\$94.00	\$3.62	\$4.48
\$30,000	\$141.00	\$5.42	\$6.71
\$40,000	\$188.00	\$7.23	\$8.95
\$50,000	\$235.00	\$9.04	\$11.19
\$60,000	\$282.00	\$10.85	\$13.43
\$70,000	\$329.00	\$12.65	\$15.67
\$80,000	\$376.00	\$14.46	\$17.90
\$90,000	\$423.00	\$16.27	\$20.14

Annual Salary / 100 x \$0.47 =
Annual Premium

Annual Premium / Pay Periods =
Cost per pay period

How do I sign up?

If you wish to take advantage of this coverage, please complete the enrollment form by filling out your name, date of birth, check "yes" under acceptance and sign the bottom of the form. If you do not choose to enter the program, simply check "no" under refusal and sign the bottom of the form. All employees need to complete a form, even if they don't wish to participate in the program.

If you have any questions about our LTD plan, please feel free to contact our consultant, Brian Fitzgerald, directly at **781-224-1709 x139** or email him at brf@mosseservices.com. He will be happy to go over the program with you in more detail and answer any questions you may have.

Forms should be returned to the Human Resources Office in Town Hall during your first 30 days of employment. Forms may be mailed, emailed to benefits@townhall.westwood.ma.us or faxed to 781-320-1067.

Maximum Benefit Duration Schedule

Duration of Benefit Schedule - SSNRA

<u>Year of Birth</u>	<u>Normal Retirement Age</u>
Before 1938	Age 65
1938	Age 65 and 2 months
1939	Age 65 and 4 months
1940	Age 65 and 6 months
1941	Age 65 and 8 months
1942	Age 65 and 10 months
1943 through 1954	Age 66
1955	Age 66 and 2 months
1956	Age 66 and 4 months
1957	Age 66 and 6 months
1958	Age 66 and 8 months
1959	Age 66 and 10 months
After 1959	Age 67

Duration of Benefit Schedule – ADEA

<u>Age at Disablement</u>	<u>Duration of Benefit</u>
Age 65 but before 68	24 months of disability
Age 68 but before 70	18 months of disability
Age 70 but before 72	15 months of disability
Age 72 or more	12 months of disability

*Maximum Benefit Period is SSNRA or ADEA whichever is greater