



TO: All Benefit Eligible Employees  
FROM: Joan Courtney Murray  
RE: Long Term Disability Program – New Hire

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The Town of Westwood is pleased to offer our benefit eligible employees a group Long Term Disability program with Lincoln Financial Group. Our Long Term Disability program is designed to pay monetary benefits (60% of your salary tax free) for extended periods of time (to age 65 or beyond) when an injury or illness prevents you from earning an income. In essence, it is income replacement insurance.

Employees that sign up for the program during their first 30 days of employment may do so on a guaranteed issue basis. This 30 day period is very important as employees can enroll in the program *without* having to complete a medical evidence of insurability questionnaire. If you decide against electing coverage in this initial offering and wish to sign up later, you are not guaranteed coverage in the plan. All employees that enroll will be subject to our plan's pre-existing condition clause highlighted in the enclosed informational handout. We encourage all employees to consider taking advantage of this benefit.

If you have any questions about our LTD plan, please feel free to contact our consultant at Mosse & Mosse, Brian Fitzgerald, at 781-224-1709 x139 or [brf@mosseservices.com](mailto: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 Human Resources within the first 30 days of employment.**

**Forms may be mailed, emailed to [benefits@townhall.westwood.ma.us](mailto:benefits@townhall.westwood.ma.us) or faxed to**

**(781) 320-1067.**



**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 \$0.486 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	\$97.20	\$3.74	\$4.63	Annual Salary / 100 x \$0.486 = Annual Premium
\$30,000	\$145.80	\$5.61	\$6.94	Annual Premium / Pay Periods = Cost per pay period
\$40,000	\$194.40	\$7.48	\$9.26	
\$50,000	\$243.00	\$9.35	\$11.57	
\$60,000	\$291.60	\$11.22	\$13.89	
\$70,000	\$340.20	\$13.08	\$16.20	
\$80,000	\$388.80	\$14.95	\$18.51	
\$90,000	\$473.40	\$16.82	\$20.83	

## 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.

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## **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>
Less than Age 60	To Age 65
60	60 Months
61	48 Months
62	42 Months
63	36 Months
64	30 Months
65	24 Months
66	21 Months
67	18 Months
68	15 Months
69 and Over	12 Months

\*Maximum Benefit Period is SSNRA or ADEA whichever is greater





## Benefit Eligible Westwood Police, Fire and DPW Employees

### Benefits At-A-Glance

#### Voluntary Long Term Disability Insurance

### The Lincoln Long-term Disability Insurance Premier Plan:

- Provides a cash benefit after you are out of work for 90 days or more due to injury, illness, or surgery
- Features group rates for Town of Westwood and Westwood Public Schools employees
- Includes *EmployeeConnect*<sup>SM</sup> services, which give you and your family confidential access to counselors as well as personal, legal, and financial assistance

Long-term Disability	
Monthly benefit amount	60% of your monthly salary, limited to \$10,000 per month
Elimination period	90 days
Coverage period for your occupation	24 months
Maximum coverage period	Up to age 65 or Social Security Normal Retirement Age (SSNRA), whichever is later

#### Elimination Period

- This is the number of days you must be disabled before you can collect disability benefits.
- The 90-day elimination period can be met through either total disability (out of work entirely) or partial disability (working with a reduced schedule or performing different types of duties).

#### Coverage Period for Your Occupation

- This is the coverage period for the trade or profession in which you were employed at the time of your disability (also known as your own occupation).
- You may be eligible to continue receiving benefits if your disability prohibits you from any employment for which you are reasonably suited through your training, education, and experience. In this case, your benefits are extended through the end of your maximum coverage period (benefit duration).

#### Maximum Coverage Period

- This is the total amount of time you can collect disability benefits (also known as the benefit duration).
- Benefits are limited to 24 months for mental illness; 24 months for substance abuse.

#### Pre-existing Condition

- If you have a medical condition that begins before your coverage takes effect, and you receive treatment for this condition within the 3 months leading up to your coverage start date, you may not be eligible for benefits for that condition until you have been covered by the plan for 12 months.

## Additional Plan Benefits

Premium Waiver	Included
Progressive Income Benefit	Included
Family Care Expense Benefit	Included
Family Income Benefit	Included
Cost of Living Increase	Included
Portability	Included

## Open Enrollment

- When you are first offered this coverage (and during approved open enrollment periods), you can take advantage of this important coverage with no health examination.

## Benefit Exclusions & Reductions

Like any insurance, this long-term disability insurance policy does have some exclusions. You will not receive benefits if:

- Your disability is the result of a self-inflicted injury or act of war
- You are not under the regular care of a doctor when you request disability benefits
- Your disability occurs while you are committing a felony or participating in a riot
- Your disability occurs while you are imprisoned for committing a felony
- Your disability occurs while you are residing outside of the United States or Canada for more than 12 consecutive months for a purpose other than work

Your benefits may be reduced if you are eligible to receive benefits from:

- A state disability plan or similar compulsory benefit act or law
- A retirement plan
- Social Security
- Any form of employment
- Workers' Compensation
- Salary continuance
- Sick leave

A complete list of benefit exclusions and reductions is included in the policy. State restrictions may apply to this plan.

## Questions? Call 800-423-2765 and mention Group ID: WSTWOOD.

This is not intended as a complete description of the insurance coverage offered. Controlling provisions are provided in the policy, and this summary does not modify those provisions or the insurance in any way. This is not a binding contract. A certificate of coverage will be made available to you that describes the benefits in greater detail. Refer to your certificate for your maximum benefit amounts. Should there be a difference between this summary and the contract, the contract will govern.

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Voluntary Long-term Disability Insurance At-A-Glance | Premier Plan

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