



Group Long Term Disability Insurance

Benefits at a Glance for North Dakota University System

Group Policy Effective Date **July, 2004**
Group Policy # **136108**

This information is only a brief description of the group LTD Insurance policy sponsored by your employer. The Standard may cancel this group policy or increase premiums at its discretion. The group insurance certificate contains a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions, when benefits and insurance end, and the terms under which the group policy may be amended and terminated. The controlling provisions will be in the group policy issued by The Standard. Neither the certificate nor this information modifies the group policy or the insurance coverage in any way. For costs and complete details of the coverage, contact your human resources representative or refer to the group insurance certificate.

Group Long Term Disability (LTD) insurance from Standard Insurance Company provides financial protection for eligible employees by promising to pay a percentage of monthly earnings in the event of a covered disability. The monthly income benefit payable is based on the amount of the employee's monthly wage base.

Eligibility

Eligible Classes

All active benefited Employees who are faculty members, administrators, or professional Employees who participate in the Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) retirement plans, Teachers Insurance Retirement Fund (TIRF), Teachers Fund for Retirement (TFFR), or the Federal Civil Service Retirement System.

Work Test

All Faculty Employees: You are not required to meet the Work Test to be considered a full-time Employee under the Group Policy.

All non-faculty Employees: You must work at least 20 hours per week to be considered a full-time Employee under the Group Policy.

Except, if you are an otherwise eligible Employee, you will not become ineligible for insurance solely by reason of a reduction in your work schedule due to your participation in your Employer's Phased Retirement Plan.

Waiting Period Before Becoming Eligible for Insurance

None for employees eligible on the group policy effective date; None for Employees who enter an Eligible Class after the Group Policy Effective Date.

Cost

The employer pays the entire cost of this coverage.

Benefits

Monthly Income Benefit

60 percent of monthly wage base paid by the employer, not to exceed a benefit of \$10,000 a month; or if less, 70% of your Monthly Wage Base not to exceed a benefit of \$10,000 per month, less the sum of the Benefits From Other Sources (see PART: DEFINITIONS of the Certificate for details) that apply to the same month.

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The Monthly Income Benefit may be adjusted by the Annual Benefit Adjustment.

In no event will the monthly income benefit be less than \$100; or if greater 10 percent of the monthly income benefit before benefits from other sources are subtracted.

Monthly Annuity Premium Benefit

Continues contributions to the employee's TIAA-CREF retirement annuity while receiving monthly income benefits. The amount of the monthly annuity premium benefit is equal to a percentage of your Monthly Wage Base determined by your years of service and classification as shown below:

For all active Teaching and research faculty, with ranks of professor or associate professor, research personnel with equivalent rank, and executive and administrative staff:

<u>Years of Service</u>	<u>Monthly Annuity Premium Benefit</u>
0 through 10 years	12.5%
Over 10 years	13%

For all active Teaching and research faculty, with ranks of assistant professor or instructor, research personnel and lecturers with equivalent rank, and professional staff:

<u>Years of Service</u>	<u>Monthly Annuity Premium Benefit</u>
0 through 2 years	7.5%
3 through 10 years	12.5%
Over 10 years	13%

Benefits Start

The first day of the month after the end of the elimination period.

Elimination Period Before Benefits Become Payable

Six months.

Definition of Disability

For the first 24 months after the elimination period, being unable due to sickness, bodily injury or pregnancy to perform with reasonable continuity the material duties of the employee's normal occupation. After that, being unable due to sickness, bodily injury or pregnancy to perform with reasonable continuity the material duties of any occupation for which the employee is reasonably qualified by education, training or experience.

Benefits Continue

During a term of continuous disability until the following age or time limit subject to any applicable limitation or exclusion:

<u>Age When Disability Starts</u>	<u>Age or Time Limit</u>
59 or younger	To age 65
60 through 64	.5 years
65 through 68	To age 70
69 or older	1 year

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Other Features

- Rehabilitation Service (always included)
- Social Security Disability Assistance (always included)
- Annual Benefit Adjustment will equal the percentage change in the U.S. Consumer Price Index but will never be greater than 3%. The first adjustment will take effect 36 months after the date benefits are first payable for a term of Disability. This adjustment applies to the Monthly Income Benefit and the Monthly Annuity Premium Benefit.
- Work Transition Period
- Survivor Income Benefit
- Eligibility When Rehired
- Conversion Privilege to a \$7500 maximum