



TheStandard®



School Administrators
Special Services

Voluntary Long Term Disability Insurance

**SCHOOL ADMINISTRATORS SPECIAL SERVICES
FOR MEMBERS OF ACSA AND ACCCA**

Answers to your questions about coverage from
Standard Insurance Company



About This Booklet

This booklet is designed to answer some common questions about the group Voluntary Long Term Disability (LTD) insurance coverage being offered by School Administrators Special Services (SASS) to eligible members. It is not intended to provide a detailed description of the coverage.

If you become insured, a group insurance certificate containing a detailed description of the insurance coverage will be made available to you, including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the *group policy* issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way. If you have additional questions, please contact the Plan Administrator.

Please note that defined terms and provisions from the *group policy* are italicized in this booklet.



Voluntary Long Term Disability Insurance Features

Chances are you already purchase home, auto and life insurance to protect yourself against the threat of loss. And you probably have health insurance to guard against costly medical bills.

So, what steps have you taken to help shield yourself, your lifestyle and those who count on you from an unexpected loss of income? Would you be able to meet your financial obligations if you became *disabled* and unable to work?

LTD insurance is designed to pay a monthly benefit to you in the event you cannot work because of a covered illness or *injury*. This benefit replaces a portion of your income, thus helping you to meet your financial commitments in a time of need.

By sponsoring group Voluntary LTD insurance from Standard Insurance Company, SASS offers you an excellent opportunity to help protect yourself and your lifestyle. The advantages to you include:

- **Convenience.** Request premiums to be deducted directly from your paycheck, so you don't have to worry about mailing payments.
- **Savings.** Typically, group insurance rates are lower than the rates of individual insurance plans, generally providing you with coverage at a lower cost.
- **Peace of Mind.** You can take comfort and satisfaction in knowing that you have taken a step toward securing your income during a period of disability.

Do I need LTD insurance?

If you are not certain that you need LTD coverage, consider if you will be able to meet your financial obligations if you become *disabled* and unable to work for an extended period of time. The risk of disability may be greater than you think. Recent statistics have shown:

- Nearly one person in five, about 49.7 million Americans, has some type of long lasting condition or disability. (Source: US Census Bureau, *Disability Status: 2000*, March 2003)
- On average, about 2,329 disabling injuries occur every hour during the year. (Source: National Safety Council, *Injury Facts*, 2003)
- 21.3 million or 11.9 percent of all Americans aged 16 to 65 have a disabling condition that affects their ability to work at a job or business. (Source: US Census Bureau, *Disability Status: 2000*, March 2003)

If you depend on your regular paycheck to pay your bills, what will happen if you become sick and unable to work? Are you prepared for the unexpected? Voluntary LTD insurance from The Standard may be part of the solution.

What if I am eligible for STRS benefits?

Normally, the STRS Member-Only Disability Benefit is 50% of your *predisability earnings* (provided you have 5 years or more of creditable service) and, to qualify for benefits, your *disability* must be expected to last 12 months or more. The SASS offered Voluntary LTD disability benefit is payable after you complete the *benefit waiting period* you selected, and the benefit can continue even if you return to part-time employment. If you select the maximum monthly *LTD benefit* allowed for your salary, the *LTD benefit* (for most members) will be equal to about 66 2/3% of your *predisability earnings*.

The STRS benefit is taxable as income, as it is considered to be an employer-paid benefit. If you pay the premium for Voluntary LTD insurance, your *LTD benefit* will not be taxable.

Voluntary LTD insurance allows you to maximize your sick leave: After completing your *benefit waiting period*, you may elect to use your remaining sick leave hours to make up the difference between the *LTD benefit* amount and the amount of your earnings in effect prior to becoming *disabled*. This election will allow you to receive 100% your *predisability earnings* by stretching out the use of your sick leave benefit.

Under the Voluntary LTD insurance plan, benefits can be paid for injuries and sicknesses lasting fewer than 12 months – and can supplement your STRS disability benefit if the duration of your *disability* is longer than 12 months. If you elect a monthly *LTD benefit* that is equal to 66 2/3% of your *predisability earnings*, then the combination of the Minimum *LTD benefit* with your STRS benefit will normally provide you with approximately 66 2/3% of your *predisability earnings*.

What are my LTD monthly benefit options?

You may choose any one of the benefit levels outlined below, provided the monthly disability benefit of the level selected does not exceed 66 2/3% of your regular monthly salary. Monthly salary is your current annual salary, including any amounts contributed to fringe benefits according to salary reduction agreements, divided by 12 (even if your school district pays you on a 10 month basis).

Minimum Annual Salary	Monthly Benefit	Monthly premium		Quarterly premium	
		When benefits begin on the: 61 st day	121 st day	When benefits begin on the: 61 st day	121 st day
\$27,000	\$1,500*	\$28.50	\$23.55	\$85.50	\$70.65
\$36,000	\$2,000*	\$38.00	\$31.40	\$114.00	\$94.20
\$45,000	\$2,500*	\$47.50	\$39.25	\$142.50	\$117.75
\$54,000	\$3,000*	\$57.00	\$47.10	\$171.00	\$141.30
\$63,000	\$3,500	\$66.50	\$54.95	\$199.50	\$164.85
\$72,000	\$4,000	\$76.00	\$62.80	\$228.00	\$188.40
\$81,000	\$4,500	\$85.50	\$70.65	\$256.00	\$211.95
\$90,000	\$5,000	\$95.00	\$78.50	\$285.00	\$235.50
\$99,000	\$5,500	\$104.50	\$86.35	\$313.50	\$259.05
\$108,000	\$6,000	\$114.00	\$94.20	\$342.00	\$282.60
\$117,000	\$6,500	\$123.50	\$102.05	\$370.50	\$306.15
\$126,000	\$7,000	\$133.00	\$109.90	\$399.00	\$329.70
\$135,000	\$7,500	\$142.50	\$117.75	\$427.50	\$353.25
Premium Payment Option		Payroll Deduction		Direct Billed	

*Evidence of Insurability is not required for these benefit levels for new members who enroll within the first 90 days of membership. Premiums are payable on a monthly, quarterly or annual basis.

Note: If you do not meet the requirements stated in the footnote to the above chart, you must submit satisfactory *evidence of insurability* to become insured. Also, satisfactory *evidence of insurability* is required if you ever wish to increase your *LTD benefit* amount or decrease your *benefit waiting period*.

Commonly Asked Questions

The following information provides details to give you a better understanding of group Voluntary LTD insurance available from The Standard. Written in non-technical language, this is not intended as a complete description of the coverage.

Am I eligible for this coverage?

To be a *member* and eligible for Voluntary LTD insurance coverage, you must be:

- A regular active member of School Administrators Special Services who is employed full-time by a school district, community college, or by the State of California and is accruing sick leave
- Regularly working at least 20 hours each week
- A citizen or resident of the United States or Canada

When does my insurance go into effect?

The effective date of your coverage depends on when you become an eligible *member*, when you apply and whether you are required to provide *evidence of insurability*.

If you are **not** required to provide *evidence of insurability*, if you apply within 90 days after you become eligible as a new *member* (and provided that your application is received by the Plan Administrator during this period) and you agree to pay the premiums, your Voluntary LTD coverage becomes effective on the date you apply.

If you are required to provide *evidence of insurability*, if you apply and agree to pay premiums, your Voluntary LTD coverage becomes effective on the first day of the calendar month following the date The Standard approves your *evidence of insurability*.

In every case, you must meet the *active work* requirement before your insurance becomes effective.

What is the active work requirement?

Active work means performing with reasonable continuity, the *substantial and material acts* of your *own occupation* at your *employer's* usual place of business. You must be capable of *active work* on the day before the scheduled effective date of your insurance (or increase in insurance) or your insurance will not become effective as scheduled. If you are not *actively at work* on the day before the scheduled effective date, your insurance will not become effective until the day after you complete one full day of *active work* as an eligible employee.

Will I have to provide information regarding my medical history?

If you apply for Voluntary LTD insurance within 90 days of becoming a new *member* and meet the *active work* requirement, you will automatically qualify to become insured for an *LTD benefit* up to the *guarantee issue amount* of \$3,000. This means that you will not have to submit satisfactory *evidence of insurability* to purchase coverage up to this amount. Even though your application may require approval of *evidence of insurability* due to a request for a higher monthly *LTD benefit*, you still are entitled to the *guarantee issue amount* of \$3,000.

If you apply more than 90 days after becoming a new *member* or if you determine that you want to become insured for an *LTD benefit* greater than the *guarantee issue amount*, satisfactory *evidence of insurability* is required. You will need to complete and submit a Medical History Statement. In some cases, we may request additional medical information or a physical exam.

Evidence of insurability is also required to become insured for an elective increase in *LTD benefit* amount, decrease in *benefit waiting period*, and reinstatement of terminated coverage.

When do LTD benefits become payable?

If you become *disabled* and your claim for *LTD benefits* is approved by The Standard, *LTD benefits* become payable after you have been continuously *disabled* for the entire *benefit waiting period* and remain continuously *disabled*. *LTD benefits* are not payable during this *benefit waiting period*. At the time you become insured, you elect a *benefit waiting period* of either 60 days or 120 days.

When am I considered disabled?

During the *benefit waiting period* and the *own occupation period*, you are considered *disabled* if, as a result of *physical disease, injury, pregnancy* or *mental disorder*:

- You are unable to perform with reasonable continuity the *substantial and material acts* of your *own occupation* and you are not working in your *own occupation*, or
- You are working in your *own occupation* but as a result of *physical disease, injury, pregnancy* or *mental disorder* you are unable to earn 80 percent of your *predisability earnings*.

The *own occupation period* for the Voluntary LTD coverage is the first 12 months for which *LTD benefits* are paid. You are not *disabled* merely because your right to perform your *own occupation* is restricted, including a restriction or loss of license.

After the *own occupation period*, you are considered *disabled* if, as a result of *physical disease, injury, pregnancy* or *mental disorder*:

- You are unable to engage with reasonable continuity in *any occupation*, or
- You are working in an occupation but are unable to engage with reasonable continuity in that occupation or *any occupation*.

Any occupation means all occupations or employment 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 and within an appropriate distance from your residence or available in your regional labor market.

How much is the LTD benefit amount?

When you apply for coverage, you elect the amount of your *LTD benefit*. You may elect an *LTD benefit* equal to any multiple of \$500, from \$1,500 to \$7,500. However, the amount elected may not exceed 66 2/3% of your monthly earnings.

If your earnings later reduce, and as a result your elected *LTD benefit* would exceed 66 2/3% of your earnings, your *LTD benefit* automatically will be reduced to the nearest multiple of \$500 which does not exceed 66 2/3% of your monthly earnings.

If you become *disabled* and eligible for benefits, the *LTD benefit* paid to you will equal your elected amount reduced by other income you receive or are entitled to receive. This other income is referred to as *deductible income*.

What is deductible income?

Deductible income is income you receive or are entitled to receive while *LTD benefits* are payable. It is used to reduce the amount of your *LTD benefit* (but never below 25% of the *LTD benefit*). It includes, but is not limited to, the following:

- Sick pay, annual or personal leave pay, severance pay, shift differential pay or other forms of salary continuation, including donated amounts, (but not vacation pay) paid by your *employer* if when the foregoing amounts, when added to your *LTD benefit*, exceed 100% of your *predisability earnings*

Note: Consider maximizing your sick leave by only requesting enough sick leave to fill the gap between your disability benefit and your *predisability earnings*.
- Earnings from work you perform while *disabled*
- Benefits under any workers' compensation law, state disability income benefit law or similar law
- Amounts under unemployment compensation law or similar law
- Disability or retirement benefits under your *employer's* retirement plan (Note that PERS and STRS benefits will not be deductible for the first 6 months)
- Social Security disability or retirement benefits, including benefits for your spouse and children
- Disability benefits from any other group insurance that exceed 80% of your *indexed predisability earnings* when added to your *LTD benefit*
- Third party liability payments you receive because of your *disability*

A complete description of *deductible income* is contained in the certificate.

Examples of How LTD Benefits are Calculated

Example #1: Your monthly salary is \$6,000, and you select a \$4,000 monthly benefit with a 60 calendar day *benefit waiting period*. Your *disability* is expected to last 8 months, so STRS disability will not provide benefits. You have 20 days of sick leave remaining when your monthly *LTD benefits* start. You decide to maximize your sick leave by only requesting enough hours to fill the gap between your *LTD benefit* and your *predisability earnings*. This allows you to spread your sick leave over approximately 12 weeks and avoids any sick leave being treated as *deductible income*. During this 12-week period you would receive a \$4,000 *LTD benefit* and \$2,000 sick leave, or a total of \$6,000.

Example #2: Same facts as in example #1, except you do not have any sick leave at the end of the *benefit waiting period* and your *injury* qualifies for workers' compensation benefits. Your workers' compensation benefit would be approximately \$3,600 and your *LTD benefit* would be \$1,000 (25% of \$4,000, the minimum *LTD benefit* after *deductible income* offsets) for a total amount received of \$4,600.

Example #3: Same facts as example #1, except your *disability* is expected to last 2 years, thus qualifying for STRS benefits, and you do not have any sick leave at the end of the *benefit waiting period*. Your STRS benefit (50% of current earnings) and your *LTD benefit* both start at the end of your *benefit waiting period*. After completing the *benefit waiting period*, you will receive BOTH benefits for 6 months (STRS benefits are not considered *deductible income* until *LTD benefits* have been payable for 6 months). During this period you would receive a \$4,000 *LTD benefit* and a \$3,000 STRS benefit for a total of \$7,000. After this period you would receive a \$1,000 *LTD benefit* (minimum benefit) and \$3,000 STRS benefit, for a total of \$4,000 or 66.7% of your monthly salary.

Example #4: Same as example #1, however around the 5th month your sick leave runs out and you are able to return to work on a part-time basis earning \$2,500 per month. Since the combination of the *LTD benefit* and your part-time earnings of \$2,500 equals \$6,500, only \$500 of the part-time earnings are considered *deductible income*. Your *LTD benefit* will be reduced to \$3,500, so that when combined with your part-time earnings it does not exceed your predisability income of \$6,000.

If I’m disabled and return to work, can I continue to receive LTD benefits?

LTD insurance coverage includes a feature that offers you a financial incentive to return to work during your *disability*. During the first 12 months from the date you first return to work (after the *benefit waiting period*), your *LTD benefit* will not be reduced by work earnings unless these earnings, when added to your *LTD benefit*, exceed 100% of your *predisability earnings* (see example 4 above). After this period ends, one-half of your earnings are considered *deductible income*. Frequently, claimants who return to work receive more total income than those who do not. You are eligible for this return to work incentive on the first day following completion of the *benefit waiting period*.

What is the maximum benefit period?

LTD benefits may continue during *disability* for 5 years (or until you reach age 65, if earlier). If you become *disabled* at age 62 or older, the benefit duration is determined by your age when *disability* begins as indicated in the table below.

Age when <i>disability</i> begins	Maximum benefit period
62	3 years 6 months
63	3 years
64	2 years 6 months
65	2 years
66	1 year 9 months
67	1 year 6 months
68	1 year 3 months
69 and above	1 year

When do LTD benefits end?

LTD benefits end automatically on the earliest of:

- The date you are no longer *disabled*
- The date your *maximum benefit period* ends
- The date you die
- The date benefits become payable under any other LTD plan under which you become insured through employment during a period of *temporary recovery*
- The date you fail to provide proof of continued *disability* and entitlement to benefits
- The date your *work earnings* equal or exceed 80 percent of your *indexed predisability earnings*

What are some of the other features of this coverage?

This LTD coverage has the following features:

- It covers *disabilities* that occur 24 hours a day, both on and off the job.
- If premium payments are made with “after-tax” dollars, *LTD benefits* are tax-free under current Federal and California tax law.
- Total disability is never required to receive *LTD benefits*.
- If an employer makes an approved work-site modification that enables you to return to work while *disabled*, The Standard will reimburse the employer up to a pre-approved amount for some or all of the cost of the modification.
- While *LTD benefits* are payable, you may qualify to participate in a *rehabilitation plan* that prepares you to return to work. If you qualify, The Standard may pay for return to work expenses you incur, such as job search, training and education and family care expenses.
- If you die while *LTD benefits* are payable, and on the date you die you have been continuously *disabled* for at least 180 days, a *survivors benefit* equal to three times your unreduced *LTD benefit* may be payable. Any *survivors benefit* payable will first be applied to any overpayment of your claim due to The Standard.
- *LTD benefits* will continue as long as you are eligible to receive them if the *group policy* terminates.

What exclusions apply to this coverage?

You are not covered for a *disability* caused or contributed to by any of the following:

- Your committing or attempting to commit an assault or felony, or your active participation in a violent disorder or riot
- An intentionally self-inflicted *injury*, while sane or insane
- *War* or any act of *war* (declared or undeclared, and any substantial armed conflict between organized forces of a military nature)
- A *preexisting condition* or the medical or surgical treatment of a *preexisting condition* unless on the date you become *disabled*, you have been continuously insured under the *group policy* for the 24-month exclusion period and *actively at work* for at least one full day after the end of the exclusion period

What is a preexisting condition?

A *preexisting condition* is a diagnosed mental or physical condition for which you received medical treatment, care or services or have taken prescribed medication at any time during the preexisting condition period, or

If *evidence of insurability* was required for coverage, a mental or physical condition, whether diagnosed or misdiagnosed:

- For which you have received medical treatment, care or services or have taken prescribed medication at any time during the preexisting condition period, or
- That caused symptoms during the preexisting condition period for which a prudent person would usually seek medical treatment, care or services and
- Which was misrepresented or not disclosed in your application for coverage.

The preexisting condition period is the 360-day period just before your Voluntary LTD insurance becomes effective.

What limitations apply to this coverage?

LTD benefits are not payable for any period when you are:

- Not receiving appropriate care from a physician until maximum point of recovery
- Not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by The Standard, unless your *disability* prevents you from participating
- Confined for any reason in a penal or correctional institution

In addition, payment of *LTD benefits* is limited in duration:

- To 12 months in your lifetime if your *disability* is caused or contributed to by *mental disorders*
- To 6 months in your lifetime if your *disability* is caused or contributed to by *substance abuse*

When does my Voluntary LTD insurance coverage end?

The Voluntary LTD insurance ends automatically on the earliest of the following:

- The date the last period ends for which you make a premium contribution
- The date your employment terminates
- The date you cease to be a member of SASS
- The date the *group policy* terminates
- The date you cease to be a *member* as defined in the *group policy*. However, insurance may continue for limited periods under certain circumstances as described in the *group policy*

Note: If your insurance ends solely because your employment terminates and you become employed by a qualifying *employer* again within 120 days, your coverage will be reinstated automatically (no new application for coverage will be required).

How do I apply for Voluntary LTD insurance coverage?

To apply for Voluntary LTD insurance, complete the Enrollment Form, place it in a confidential envelope and submit it to the Plan Administrator. You can apply at any time, but remember if you apply more than 90 days after becoming eligible, satisfactory *evidence of insurability* is required for all limits. Coverage subject to *evidence of insurability* is not effective until approved by The Standard.

What if I have additional questions?

If you have any additional questions, please contact the Plan Administrator.

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Association of California Community College Administrators

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Standard Insurance Company

About Standard Insurance Company

School Administrators Special Services has chosen Standard Insurance Company to provide group Voluntary LTD coverage to eligible members. The Standard has earned a solid reputation for its quality products, superior customer service, expert resources, steady growth, innovation and strong financial performance. Founded in 1906, The Standard has developed a national presence in the employee benefits industry, providing customers with group and individual disability insurance and retirement plans, and group life and dental insurance.

Just as others count on you, you can count on The Standard for Voluntary LTD insurance in a time of need. Contact the Plan Administrator for more information about group Voluntary LTD insurance from The Standard.



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