



## Voluntary Long-Term Disability (LTD) Benefit Highlights for The University of Texas System

**Eligibility:** All active benefit eligible employees who work at least 20 hours per week and continue in UT employment for a term of at least 4.5 months, or are appointed for at least 50% of a standard appointment, are eligible. Employees who are covered under another group disability program provided by the Medical Practice Plan (MSRDP/PRS) Benefits are not eligible for this coverage.

**Monthly Benefit:** 60% of your monthly earnings up to a maximum of \$12,025 per month. We will reduce the amount of your LTD payment by other income benefit payments you may receive or are eligible to receive.

**Monthly Earnings:** will equal 1/12<sup>th</sup> of your last reported gross annual income from your employer in effect on the day immediately prior to your date of disability.

It includes:

1. hazardous duty pay;
2. longevity pay;
3. employee contributions made through a salary reduction agreement with your employer to an IRC Section 401(k), 403(b), 501(c)(3), 457 deferred compensation plan, or any other qualified or non-qualified employee Retirement Plan or deferred compensation arrangement; and
4. amounts contributed to your fringe benefits according to a salary reduction arrangement under an IRC Section 125 plan.

It does not include:

1. commissions;
2. bonuses;
3. overtime pay;
4. your employer's contribution on your behalf to a Retirement Plan or deferred compensation arrangement; or
5. any other extra compensation.

**Premium:** You pay 100% of the premium. To calculate your premium, divide your monthly earnings (maximum of \$20,042) by 100; then multiply by 0.397.

For example, your monthly earnings are \$4000.

$4000 \div 100 = 40 \times 0.397 = \$15.88$  is your monthly premium.

If you are on a 9 or 12 month contract, divide your contract salary by the number of months in the contract (to a maximum of \$20,042); then divide by 100, and multiply by 0.397.

For example, your 9 month contract salary is \$36,000.

$36,000 \div 9 = 4000 \div 100 = 40 \times 0.397 = \$15.88$  is your monthly premium.

**Definition of Disability:** *Total Disability* means that during the first 24 consecutive months of benefit payments due to Sickness or Injury: 1) you are continuously unable to perform the material and substantial duties of your regular occupation; and 2) your disability earnings, if any, are less than 20% of your pre-disability indexed monthly earnings. After the LTD monthly benefit has been paid for 24 consecutive months, *total disability* means that due to injury or sickness: 1) you are continuously unable to engage in any gainful occupation; and 2) your disability earnings, if any, are less than 20% of your pre-disability indexed monthly earnings.



*Partial Disability* means that during the elimination period and maximum benefit period, due to injury or sickness, you are working in any gainful occupation and you are able to earn disability earnings of at least 20% of your pre-disability indexed monthly earnings but are unable to earn more than 80% of your pre-disability indexed monthly earnings.

**Elimination Period:** Benefits will begin once you have satisfied the elimination period of 90 days from the onset of disability, provided you are continuously disabled. Note: You must exhaust all of your sick leave before benefits are payable.

**Maximum Period Payable:**

<b>Age at Disability</b>	<b>Maximum Period Payable</b>
Less than age 60	To age 65, but not less than 60 months
Age 60 through 64	60 months
Age 65 through 69	To age 70, but not less than 12 months
Age 70 and over	12 months

**Mental Illness and Substance Abuse:** You can receive benefit payments for disabilities resulting from mental illness or substance abuse for a total of 24 months for all disability periods during your lifetime. Any period of time that you are confined to a hospital or other facility licensed to provide medical care for these conditions does not count toward the 24 month limit.

**Limitations:** Benefits are not payable for disabilities occurring as a result of:

- resulting from a pre-existing condition;
- commission of, or participation in, or an attempt to commit an assault or felony;
- intentionally self-inflicted injuries;
- attempted suicide, regardless of mental capacity;
- active participation in a riot; or
- participation in a war, declared or undeclared, or any act of war.

**Pre-existing Condition:** A condition which:

1. was caused by, or results from, a sickness or injury for which you received medical treatment; or advice was rendered, prescribed or recommended whether or not the sickness was diagnosed at all, or was misdiagnosed, within 3 months prior to your effective date; and
2. results in a disability which begins in the first 12 months after your effective date.

**Voluntary Long-Term Disability includes the following benefits:**

- Survivor Income
- Accidental Dismemberment
- Catastrophic Disability
- Caregiver Respite
- Caregiver Training
- Emergency Alert System
- Worksite Modification
- Conversion Privilege

**Guarantee Issue:** Evidence of Insurability is required for:

1. previously eligible employees who did not enroll within 31 days of initial eligibility; and
2. previously eligible employees who did not enroll within 31 days of a qualified change in status event.

Note: Evidence of Insurability will not be required for any employee who enrolls for LTD during the July 2009 annual enrollment.

This summary is for illustrative purposes only and does not constitute a contract. The full terms and conditions of the coverage are contained in the policies provided to The University of Texas System. If there is any discrepancy between this benefit description and the policy, the terms of the policy will control.



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