

Long Term Disability Insurance

Definitions

- **Disability**

Due to a sickness, pregnancy or accidental injury, the employee is receiving appropriate care and treatment from a doctor on a continuing basis; and

- during the employee’s elimination period and throughout the own occupation period, the employee is unable to earn more than 80% of his/her predisability earnings or indexed predisability earnings in his/her local economy; or
- after the own occupation period, the employee is unable to earn more than the percentage of his/her indexed predisability earnings, specified in the cost and benefit summary, from any employer in his/her local economy at any gainful occupation for which he/she is reasonably qualified taking into account his/her training, education, experience and predisability earnings.¹

The employee’s loss of earnings must be a direct result of his/her sickness, pregnancy or accidental injury. Economic factors such as, but not limited to, recession, job obsolescence, pay cuts and job-sharing will not be considered in determining whether the employee meets the loss of earnings test.

Claims Services

Disability Resources

Focus on abilities

Clinical approach to case management

Job site accommodation service

Early intervention programs

Duration control guidelines

U.S. behavioral health physician experts

Social Security application and appeals assistance

Human Resources

Disability nurse specialist to medically evaluate claims

Medical director & panel of consulting physicians

Certified rehabilitation counselors (CRC)

Vocational/nurse rehabilitation specialist

Occupational health nurse

Employability consultants

Social Security specialists

Other Claims Services:

- Toll-free claim submission, if requested
- W-2 & FICA tax reporting & withholding
- Electronic fund transfer of benefits (EFT)

Features

- **Work Incentive Benefit**

Provides financial incentives when working while partially disabled. Benefits are limited to 100% of predisability earnings replacement.

This benefit includes:

- **No Offset²:** No offset for rehabilitation or part-time earnings during the no offset period, thereafter 50% offset from rehabilitation earnings.
- **Rehabilitation Incentive:** 10% increase in monthly benefit for participation in an approved rehabilitation program.
- **Family Care Expenses:** While participating in an approved rehabilitation program, up to \$250 per month for each eligible family member during the family care period. *(Not available in NY and NJ, but NJ allows Child Care Expense; please see Cost and Benefit Summary.)*
- **Return to Work Incentive:** Employees may satisfy the elimination period with days of partial and/or total disability, commonly called “zero-day residual.”

- **Temporary Recovery**

Allows individuals to return to work full-time, for a set period of time during the elimination period and while benefits are payable, without needing to satisfy a new elimination period if disabled again for the same or related condition.

- **Continuity of Coverage** (“No Loss/No Gain”)

To prevent loss of coverage when transferring insurance carriers, MetLife will provide coverage to employees not actively at work if:

- The employee was covered for long term disability benefits under the prior carrier’s plan at the time of transfer; and
- The employee is not actively at work due to injury or sickness provided the required payment toward the cost of long term disability benefits is made to MetLife.

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¹ In LA, the employee is also unable to perform the duties of any gainful occupation which provides substantially the same earning capacity as the employee’s earning capacity prior to the start of their disability.

² This provision applies during the first 24 months following the date the employee has satisfied the elimination period.

Features *(continued)*

In the event of a claim, the benefit payable would be that which could have been paid by the prior carrier had coverage remained in force, less any benefit for which the prior carrier is liable.

However, in no event would benefits be payable for any period of disability which began prior to the time of transfer.

- **Cost of Living Freeze**

Monthly benefits will not be further reduced due to the cost of living increases payable under "other income benefits" after the initial reduction for these income benefits has been determined.

- **Waiver of Premium**

Premium payments for disabled employees are waived while benefits are payable.

- **Indexing**

Helps mitigate the effects of inflation by increasing predisability earnings which are used to determine eligibility for disability. Allows individuals to earn more from rehabilitative or other permitted work while still qualifying for disability.

Optional Features

- **Survivors Benefit³**

If the employee dies while he or she is receiving benefit payments under this plan, his/her spouse or unmarried children under age 25 may be eligible for a lump sum Survivors Benefit. The amount of the benefit is equal to a multiple of the monthly benefit before reductions for other income benefits.

The amount of the Survivors Benefit payable is reduced by any overpayment which we are entitled to recover.

We will pay the Survivors Benefit to the employee's eligible survivor, if the following conditions are met:

1. the employee has completed his/her elimination period;
2. the employee is eligible to receive a monthly benefit at the time of death;
3. the employee has an eligible survivor; and
4. proof of the employee's death is provided to us.

An eligible survivor is one of the following:

1. the employee's surviving spouse; or
2. if there is no surviving spouse, the employee's unmarried children or the employee's spouse's

unmarried children under age 25. The term children also includes adopted children and children placed for adoption until legal adoption. Payment will be divided into equal shares among the eligible children.

- **Survivors Income Benefit³**

If an employee dies while receiving benefit payments under this plan, the employee's spouse or unmarried children under age 25 may be eligible for a Survivors Income Benefit.

We will pay to the employee's eligible survivor on a monthly basis a survivors income benefit:

1. equal to 2/3 of the employee's last disability benefit;
2. for a specified period of months, from the date of the employee's death.

The amount of the Survivors Income Benefit payable is reduced by any overpayment which we are entitled to recover.

We will pay the Survivors Income Benefit to the employee's eligible survivor, if the following conditions are met:

1. the employee has completed his/her elimination period;
2. the employee is eligible to receive a monthly benefit at the time of death;
3. the employee has an eligible survivor; and
4. proof of the employee's death is provided to us.

An eligible survivor is one of the following:

1. the employee's surviving spouse; or
2. if there is no surviving spouse, the employee's unmarried children or the employee's spouse's unmarried children under age 25. The term children also includes adopted children and children placed for adoption until legal adoption. Payment will be divided into equal shares among the eligible children.

- **Cost of Living Adjustment (COLA)**

Over time, the effects of inflation can erode the value of a disabled employee's disability benefit. The Cost of Living Adjustment benefit attempts to alleviate the impact of inflation.

The first Cost of Living Adjustment increase will take place on the date the monthly benefit is payable following the waiting period specified in the

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³ In the following states, Survivors Benefit and Survivors Income Benefit are payable to the estate if there is no eligible survivor: **KS, MD, NY and VA.** In **KY**, if no estate, unpaid benefits may be paid to any person deemed entitled by the insurer, up to \$1,000.

Optional Features *(continued)*

certificate. Additional increases will take effect on each anniversary of the first increase for a certain length of time. The employee must have been continually receiving monthly benefits under this plan.

The employee’s Cost of Living Adjustment will be calculated by multiplying the employee’s current monthly benefit by a certain percentage.

Cost of Living Adjustments are not applicable to any amount paid for the following provisions:

1. Work Incentive;
2. Survivors Benefit;
3. Survivors Income Benefit;
4. Education Benefit;
5. Minimum Indemnity Benefit; or
6. Pension Contribution Benefit.

● **Education Benefit**

This benefit is intended to ease the financial burden on a disabled employee of providing a college education to his/her dependent children. While the employee is receiving a monthly benefit, MetLife will pay a continuing Education Benefit to the employee for his/her dependent children who are full-time eligible students in an accredited college or university. The employee must furnish MetLife with proof that the dependent child is a full-time student in an accredited college or university.

“**Eligible student**” means the employee’s unmarried dependent child under the age of 23 who is attending an accredited post-secondary school on a full-time basis.

“**Full-time**” means a full course load as defined by the accredited post-secondary school.

Benefits will be payable in between terms as long as the eligible student is enrolled for the next scheduled term.

Education Benefits will stop at the earliest of:

1. the date the employee’s monthly benefit ceases;
2. the date the child is no longer an eligible student;
3. the date this plan terminates; or
4. the earlier of the date on which:
 - the employee has received 48 monthly Education Benefit payments with respect to each eligible student; or
 - the eligible student attains age 23.

(Not available in NY, IL or PA.)

● **Pension Contribution Benefit**

This provision provides a Pension Contribution Benefit to the employer’s pension fund on the employee’s

behalf for each month the employee is disabled and receiving a monthly benefit under this plan.

The amount of each payment under this benefit will be calculated in accordance with the formula used by the employer to compute the monthly contributions to be made by the employer to the employer’s pension fund. The calculation will use the employee’s predisability earnings or indexed predisability earnings for the earnings/compensation figure normally used. Years of service, if included in this formula, will include the period the employee has been disabled and receiving a monthly benefit under this plan.

In no event will the Pension Contribution Benefit be payable beyond the date on which the employee begins to receive benefits from the pension fund. *(Not available in NY.)*

● **Minimum Indemnity for Accidental Dismemberment and Loss of Sight**

This provision guarantees a minimum number of monthly payments if an accidental injury:

1. occurs while the employee is covered under this plan; and
2. results in any of the losses shown below within 100 days of the injury.

The monthly benefit will be paid:

1. to the employee if living, or the employee’s estate;
2. for the number of months shown below;
3. whether or not the employee is disabled.

If the employee is disabled beyond the number of months shown below, monthly benefits may continue subject to the terms and conditions of this plan.

For Loss Of:	Number of Monthly Benefit Payments
Sight of both eyes	46
Both hands	46
Both feet	46
One hand and one foot	46
One hand and sight of one eye	46
One foot and sight of one eye	46
One hand or one foot	23
Sight of one eye	15
Thumb and index finger of either hand	12

“**Loss**” means, with regard to:

1. hands and feet, complete severance at or above the wrist or ankle joint;

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Optional Features *(continued)*

- 2. sight, total and irrecoverable loss of sight; or
- 3. thumb and index finger, complete severance at, or above, the metacarpophalangeal joints.

The maximum indemnity for all losses suffered as a result of any one injury shall be limited to the loss for which the greatest number of monthly benefit payments is provided in the above table.

● **Conversion Privilege**

An employee may be eligible to convert to a long term disability conversion plan when his/her employment ends. The conversion plan only provides coverage for long term disabilities. Evidence of good health will not be required. However, the employee must meet the following conditions:

- the employee must have been covered under this Conversion Privilege, or a similar conversion privilege under a plan that this plan replaced, for at least 12 months prior to the date his/her employment ends;
- the employee’s coverage under this plan must end as a result of termination of his/her employment with the employer, other than as a result of retirement; and
- the employee must apply in writing and pay the first premium for the long term disability conversion plan within 31 days after his/her coverage under this plan ends.

This Conversion Privilege is not available to an employee if:

1. the employee’s coverage under this plan ends for any of the following reasons:
 - this plan ends;
 - this plan is amended to exclude the class of employees to which the employee belongs;
 - the employee enters a class of employees not eligible for coverage under this plan;
 - the employee retires; or
 - the employee does not make a payment which is required by the employer to the cost of this plan;
2. the employee is disabled under the terms of this plan; or
3. the employee becomes covered under any other long term disability plan within 31 days after the employee’s coverage under this plan ends.

The conversion coverage will become effective on the day after the employee’s coverage under this plan ends. The format, benefits provided, premium, and other terms of the conversion coverage may

differ from those provided under this plan. We reserve the right to have the conversion coverage issued by another insurance company. *(Not available in WV and MT.)*

● **Employee Assistance Program (EAP)** *(Not available to groups with less than 50 lives)*

This benefit helps alleviate employee problems impacting job performance (i.e., productivity and absenteeism), enhances cost savings for the employer and promotes positive employee relations by utilizing a network of: licensed psychiatrists, psychologists, social workers, marriage and family counselors, certified addiction counselors, financial counselors and attorneys.⁴

Rates

Actual charged rates are guaranteed for the stated amount of years from the effective date of coverage provided:

- The plan of benefits and eligibility remains unchanged;
- There are no additions or deletions of subsidiaries or affiliates; and
- The census, volume or geographic distribution does not change by 25% or more.

Rates are based on participation in a Workers Compensation Program. Actual rates will be based on enrollment, contribution levels and plan design purchased.

Eligibility

- **Full-time Employees**
Only active full-time employees who work at least 30 hours per week are eligible for coverage.
- **Retirees** are not eligible for coverage.
- **Part time and seasonal employees** are not eligible for coverage.⁵
- **Eligibility Waiting Period:** Eligibility date for current employees and first of the month following date of hire for all others.

⁴ Legal services and referrals are not included in EAP Option 1.

⁵ Quote assumes that all eligible employees are working 30 hours per week on a regular basis. VT law requires that we provide an employer the option to offer the coverage described in this benefits description to part-time employees working a minimum of 17½ hours per week.

Minimum Participation Requirements

- **Contributory Plans**
At least 75% of all eligible employees must enroll.
- **Voluntary Plans**
At least 50% of all eligible employees must enroll.
- **Non-contributory Plans**
100% participation is required.
- **Minimum Monthly Premium Payment**
A minimum premium of \$100 per month is required at the time the plan is issued. The minimum monthly premium is calculated on an “average per coverage” amount basis if more than one MetLife SBC coverage is purchased. All life coverages (Basic, Dependent, and Optional) are considered one coverage for purposes of calculating the average premium.

Limitations

x Pre-Existing Conditions

If an employee is disabled due to a pre-existing condition, no benefits are payable under this plan in connection with that disability unless his/her elimination period starts after he/she has been an active employee under this plan for a specified period of time.

A pre-existing condition is an injury, sickness, or pregnancy for which the employee during a specified period of time before his/her effective date:

1. received medical treatment, consultation, care or services;
2. took prescription medications or had medications prescribed; or
3. had symptoms or conditions which would cause a reasonably prudent person to seek diagnosis, care or treatment.⁶

x Disabilities Due to Particular Conditions

Monthly benefits are limited to a specified number of months during the employee’s lifetime, if the employee is disabled due to:

- mental or nervous disorder or disease unless due to schizophrenia, bipolar disorder, dementia or organic brain disease;
- neuromusculoskeletal and soft tissue disorder unless there is objective medical evidence; *(Not available in NJ and NY.)*
- chronic fatigue syndrome and related conditions. *(Not available in NJ and NY.)*

x Disabilities Due to Alcohol, Drug or Substance Abuse or Dependency

Lifetime limitation (must be included if mental or nervous disorder or disease limitation is included). Benefits are limited to one period of disability until the earlier of:

1. expiration of the period of disability, or
2. refusing or ceasing to participate in a rehabilitative program.

x Mandatory Rehabilitation⁷

Benefit payments cease on the date an employee refuses to participate in an approved rehabilitation program in which the employee is capable of participating. *(Not available in NJ or on contributory plans in CT. In CT, if non-contributory, this provision will only apply if the insured’s doctor approves the insured’s participation in a rehabilitation program.)*

x Reduction of Benefits — Other Income Benefits

An employee’s monthly benefit is reduced by other income benefits shown below. The monthly benefit payable:

- Will not be less than the amount shown in plan highlights under minimum monthly benefit (except in the case of an overpayment or while receiving work earnings);
- Will not be further reduced due to cost-of-living increases payable under other income benefits after the correct reduction has been determined;
- Will not be reduced by any reasonable attorney fees included in any award or settlement; and
- Will not be reduced by any sources other than those shown below.

If an employee receives other income benefits in a lump sum instead of in monthly payments, he or she must provide satisfactory proof of the breakdown of:

1. the amount attributable to lost income; and
2. the time period for which the lump sum is applicable.

If an employee does not provide this information to MetLife, MetLife may reduce the monthly benefit

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⁶ In AZ, NJ, NC, ND, MN, MO, MT, OR, PA, TX and WY, the pre-existing condition limitation “had symptoms, or conditions which would cause a reasonably prudent person to seek diagnosis, care or treatment” does not apply.

⁷ This applies only if the current employer, or another employer with a similar job position, is willing to participate in a rehabilitation program. Benefits do not terminate solely because an employee is capable of participating in a rehabilitation program but is not doing so — a rehabilitative employment opportunity must exist.

Limitations *(continued)*

by an amount equal to the monthly benefit otherwise payable. MetLife will reduce the monthly benefit each month until the lump sum has been exhausted. However, if MetLife is given proof of the time period and amount attributable to lost income, MetLife will make a retroactive adjustment.

Other income benefits may include the following:

- Federal Social Security Act, Railroad Retirement Act, Canada Pension Plan, or any provincial pension or disability plan, or the Canada Old Age Security Act, including benefits payable to the employee's spouse and dependents.^{8,9}
- Group Insurance Policies will be counted if the participant employer contributes towards them or makes payroll deduction for
 - (a) other group health insurance policies to the extent they provide benefits for loss of time from work due to disability; and
 - (b) a group life policy that provides installment payments for permanent disability.
- Work Earnings, Rehabilitation Incentive, and Family Care expenses will not be used to reduce an employee's monthly benefit except as described in "Work Incentive."
- Employer's Retirement Plan disability and/or retirement benefits will be counted to the extent that they are attributable to the participant employer's contributions.
- No-fault Auto Laws (In MD, NJ, NC and VA — No-fault offset not allowed.)
- Only the basic reparations portion for loss of income of a law providing for payments without determining fault in connection with automobile accidents will be counted. Supplemental disability benefits an employee buys under a no-fault auto law will not be counted.
- Workers' Compensation or a Similar Law¹⁰
- Periodic benefits and substitutes and exchanges for periodic benefits will be counted.
- Occupational Disease Laws
- Maritime Maintenance & Cure
- Third Party Recovery (In MO, NJ, NY, NC and VA — Third Party Recovery offset not allowed.)
- The amount of recovery you receive for loss of

⁸ In CA: Benefits may only be offset with those benefits that are actually received, not just for benefits for which the insured is eligible. However, benefits will not be paid if the employee does not apply for other benefits.

⁹ In MD: Offsets must be proportionately based on share of liability.

¹⁰ In NY: Benefits may only be offset with those benefits that are actually received. Benefits may be contingent upon having applied for Workers' Compensation.

¹¹ In MA: 31-day continuation if employment ends and 90-day continuation if employment ends due to a plant closing or partial plant closing.

income as a result of claims against a third party by judgment, settlement or otherwise.

- Unemployment Insurance Law or Program
- Other Programs or Plans including:
 - (a) a compulsory benefit program of any government which provides payment for loss of time from the employee's job because of disability will be counted;
 - (b) any other group disability income plan, fund or other arrangement if the participant employer contributes toward it or makes payroll deductions for it, will be counted; or
 - (c) any sick pay or other salary continuation, other than vacation pay, paid to the employee by the participant employer will be counted.

Exclusions

- ✗ War, insurrection or rebellion;
- ✗ Active participation in a riot;
- ✗ Intentionally self-inflicted injuries or attempted suicide;
- ✗ The commission of a felony.

Cancellation/Termination

Coverage is provided under a group insurance policy (Policy Form GPNP99) issued by Metropolitan Life Insurance Company with certificates of insurance (Form G.24303) issued by MetLife to each employee.

Coverage terminates:¹¹

- ✗ When the employee's employment ceases;
- ✗ When the employee's LTD contributions cease if such contributions are required;
- ✗ Upon termination of the group contract by the policyholder upon prior written notice to MetLife; or
- ✗ If the group life insurance policy is discontinued by MetLife for non-payment of premium or if participation requirements are not met or if the number of lives falls below ten.

Note:

Like most group insurance policies, MetLife group policies contain certain exclusions, limitations, reductions of benefits and terms for keeping them in force. Your local MetLife Small Business Center representative can answer any questions about costs and details of coverage. A full description of the benefits will be provided in the certificate.

MetLife® Small Business Center

MetLife Small Business Center
Metropolitan Life Insurance Company, New York, NY 10010-3690

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