

# ***Lincoln Financial Group Long Term Disability***

***Effective Date: August 1, 2016 (pending underwriting approval)***

Voluntary Long Term Disability, underwritten by Lincoln Financial Group offers disability income protection to employees unable to perform all of the material duties of their occupation on a full-time basis due to sickness or injury.

Long Term Disability coverage is needed by employees as a replacement for lost income should they become sick or injured. Under the Lincoln Financial Group Long Term Disability Plan, a monthly benefit is paid directly to an employee to help with ongoing personal expenses.

## **FEATURES AND ADVANTAGES**

- Affordability
- Guaranteed Acceptance (according to underwriting guidelines)
- Coverage Options
- Partial Disability Benefits
- Pregnancy and pregnancy complications covered the same as any other sickness
- Mental and Nervous Conditions covered up to 24 months
- Alcoholism and Drug Addiction covered same as any other sickness
- Family Income Benefit
- Waiver of Premium
- Portability
- Payment through convenient payroll deduction

## **ELIMINATION PERIOD**

Elimination Period is the number of continuous days (90 days) you must be totally disabled before benefit payments start. The Elimination Period is waived on Recurrent Disabilities. You can return to your regular occupation for up to six months without having to satisfy a new Elimination Period if there is a recurrence of the prior disability.

## **MAXIMUM BENEFIT PERIOD**

To age 65 - the longest period of time that benefits will continue to be paid to the disabled employee as long as he/she remains disabled in accordance with the contract. **The benefit period starts reducing depending on the age at the onset of the disability.**

## **MAXIMUM MONTHLY BENEFIT**

60% of salary - is the highest monthly benefit the disabled employee can receive up to a maximum of \$5,000.00.

## **MONTHLY RATE**

The following Voluntary Long Term Disability rate is for full-time employees who are working a minimum of 30 hours per week and who are not qualified to receive disability benefits under the North Carolina Local Governmental Employee's Retirement System: **\$.96 per \$100.00 of covered monthly salary, excluding bonuses and overtime pay.**

## **PRE-EXISTING CONDITION EXCLUSION**

A **12/12/24 pre-existing condition limitation** applies to all insurance amounts. Pre-existing condition means any sickness or injury for which an employee has received medical treatment, consultation, care or services (including diagnostic measures or the taking of prescribed drugs or medicines) **during the 12 months prior to the insured employee's coverage effective date**, unless no treatment was received for **12 consecutive months after the insured employee's effective date**. A disability arising from any such sickness or injury will be covered only if it begins after an employee **has performed his/her regular occupation on a full-time basis for 24 months following the coverage effective date**.

## **PARTIAL DISABILITY BENEFIT**

Benefits are payable when an insured is unable to perform one or more of his/her main duties at his/her own or any other occupation, or is unable to perform those duties on a full-time basis.

To qualify for the benefit, an insured must be earning less than 80% of his/her pre-disability income. An 85% earnings test will be applied after the first two years of partial disability, unless total earnings reaches 100% of pre-disability income.

Benefit payments are reduced by partial employment earnings and other income sources and end on the earliest of:

- the date the insured ceases to be partially disabled;
- the date the insured's current earnings exceed 85% of his/her pre-disability income; or
- the date the maximum benefit period ends.

## **FAMILY INCOME BENEFIT**

Pays a lump sum benefit equal to 3 times the insured's last gross monthly LTD benefit to the surviving spouse or children of the insured. The insured must have been disabled for a minimum of 180 days and have been receiving benefits under the policy when death occurs.

## **WAIVER OF PREMIUM**

Premiums due during an insured's total or partial disability period are waived after benefits become payable and as long as the payments continue.

## **ACCUMULATION OF ELIMINATION PERIOD**

The elimination period is satisfied when the required number of days is accumulated in a period which does not exceed 2 times the program elimination period. For example, a 90-day elimination period may be met by days of disability accumulated over a 180-day period. Only days of disability due to the same or a related sickness or injury will count towards the elimination period.

## **RECURRENT DISABILITY PROVISION**

An insured can return to his/her regular occupation for up to six months without having to satisfy a new elimination period if there is a recurrence of the prior disability. However, if an insured returns to his/her regular occupation on a full-time basis for six months or more, a recurrent disability will be treated as a new period of disability, and the insured employee must complete another elimination period.

## **PREGNANCY**

Pregnancy is treated as an illness. The definition of disability must be satisfied and the elimination period completed before benefits would begin.

## **MENTAL AND NERVOUS CONDITIONS**

Disability resulting from a mental illness or nervous condition will be covered up to 24 months of benefit payments unless the employee is hospitalized at the end of 24 months. In that case, benefits will continue for as long as the employee is confined to a hospital up to the specified maximum benefit duration.

## **ALCOHOLISM AND/OR DRUG ADDICTION**

Disability caused by alcoholism and/or drug addiction will be covered the same as any other sickness.

## **PORTABILITY**

An insured may keep his/her coverage for up to one year after he/she leaves employment at the same rates that were in effect at the time of termination. Coverage must be in force at least 12 months prior to termination and the insured must not be disabled, on a leave of absence or retired on the date of termination of employment.

## **BENEFIT INTEGRATION\***

Voluntary Long Term Disability benefits are reduced by any other income the insured is eligible for under:

- Primary and Family Social Security Disability or Retirement or any similar plan or act;
- Worker's Compensation Law, occupational disease law or any similar law;
- State Disability Plans or any compulsory benefit act or law;
- Other group disability plans;
- Disability or retirement benefits through the employer; and
- Any form of employment (full or part-time).

***\*The minimum benefit payable will never be less than \$100.00 or 15%, whichever is greater.***

## **EXCLUSIONS**

Lincoln Financial Group does not pay Long Term Disability benefits for any period of disability:

- Which is the result of self-inflicted injury or attempted suicide;
- During which you are not under the regular care of a doctor;
- Due to active participation in a riot or in the commission of a felony;
- Due to war, declared or undeclared, or any act of armed aggression; or

When a disability is due to mental illness, Lincoln Financial Group's standard contract considers benefits payable for up to a maximum period of 24 months. However, if the insured employee is confined to a hospital at the end of the 24-month period, benefits will continue up to the specified maximum benefit duration.

Long term disability coverage is needed by employees as a replacement for lost income should they become sick or injured. A monthly benefit is paid directly to them to help with ongoing personal expenses. Your employees will appreciate the fact that you realize the value of this benefit and cares enough to offer it to them.

***This plan is insured by Lincoln Financial Group headquartered in Omaha, Nebraska. This is not a contract. This brochure briefly summarizes the insurance coverages described. Controlling provisions are in the related policies, which are not modified by this brochure. State requirements may necessitate variances.***

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If you have any questions, please call Lincoln Financial Group at 1.800.423.2765.

