



# **City of Eugene**

## **Long-Term Disability Insurance (L T D)**

**Effective June 1, 2019**

# **LONG-TERM DISABILITY**

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The City of Eugene Long-Term Disability (LTD) Plan provides you with income protection if you become disabled from a physical disease, mental disorder, accidental bodily injury or pregnancy.

The monthly LTD benefit varies by pay unit. Your benefit will be at least \$100 per month, but not more than the maximum listed in the Amount of Benefit section below. LTD benefits are payable after the end of the Benefit Waiting Period. This LTD insurance covers only you, not your dependents. Insurance is provided through Standard Insurance Company of Portland, Oregon. A certificate of coverage for each union/employee unit and LTD Frequently Asked Questions are on the Risk Services Employee Benefits website at [www.eugene-or.gov/employeebenefits](http://www.eugene-or.gov/employeebenefits).

## **Eligibility**

As a regular or Limited Duration employee scheduled to work at least 20 hours per week (or one-half of the hours in a pay period for AFSCME-represented employees), you are eligible for long-term disability insurance coverage. Eligibility for IATSE-represented employees is specified in the most recent labor agreement between the City of Eugene and the unions.

## **When Coverage Begins**

For all groups except IATSE-represented employees, LTD coverage begins on the first day of the month following your first day of active employment as an eligible employee.

For IATSE-represented employees and AFSCME-represented Recreation Activity Employees, LTD coverage begins on the first day of the month following your first day of eligibility as specified in the current labor agreement between the City of Eugene and the unions.

All employees must meet the Active Work Requirement before insurance will become effective.

## **Active Work Requirement**

If you are incapable of Active Work because of physical disease, mental disorder, injury or pregnancy on the day before the scheduled effective date of your insurance, your insurance will not become effective until the day after you complete one full day of Active Work as an eligible employee.

Active Work means you are performing the material duties of your own occupation at your employer's usual place of business. The Active Work Requirement also applies to any increases in your insurance.

## **When Coverage Ends**

LTD coverage ends automatically on the earliest of the following dates:

- The date the Group Policy terminates.
- The date your employment with the City terminates.
- The last day of the calendar month in which you cease to be eligible for coverage under the LTD plan. However, if you cease to be otherwise eligible for coverage because you are not working the required minimum number of hours, your insurance will be continued during the following periods, unless it ends because of one of the other events described.
  - While the City is paying you at least the same pre-disability earnings paid to you immediately before you ceased to be eligible for coverage.
  - During the Benefit Waiting Period and while LTD benefits are payable.
  - During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
  - During any other leave of absence approved in advance and in writing by the City and scheduled to last through the last day of the calendar month in which the City ceases to pay you the full amount of your pre-disability earnings.

## **How to Enroll**

You are automatically covered for LTD insurance benefits based on your eligibility. No action on your part is required to enroll.

## **Definition of Disability**

You are considered disabled from your own occupation if, as a result of physical disease, mental disorder, injury or pregnancy, you are not able to perform with reasonable continuity the material duties of your own occupation. **Medical certification of disability is required.**

Until LTD benefits have been paid for 24 months, you are required to be disabled only from your own occupation. After LTD benefits have been paid for 24 months, you must be disabled from all occupations in order to continue receiving benefits. You are disabled from all occupations if, as a result of physical disease, mental disorder, injury or pregnancy, you are unable to perform with reasonable continuity the material duties of any gainful occupation for which you are reasonably fitted by education, training and experience.

## **Benefit Waiting Period**

The Benefit Waiting Period is the time you must be continuously disabled before you are eligible for LTD benefits. Your Benefit Waiting Period begins on the date you become disabled. You must be seen regularly and be treated by a physician during the Benefit Waiting Period.

If you are an AFSCME-represented employee, your Benefit Waiting Period is the longer of:

- 90 days of continuous disability, or
- the period for which you are eligible for sick leave pay.

For all other employee groups, your Benefit Waiting Period is the first 90 days of continuous disability.

**LTD Benefits** begin at the end of the Benefit Waiting Period. LTD Benefits end on the earliest of:

- The day of your death;
- The day your disability no longer exists;
- The end of the Maximum Benefit Period; or
- The day benefits become payable to you under any other group long-term disability policy.

## **Maximum Benefit Period**

The **Maximum Benefit Period** is the longest period of time LTD benefits are payable for any one period of continuous disability, whether from one or more causes. Your Maximum Benefit Period is determined as follows:

AGE WHEN DISABILITY BEGINS	MAXIMUM BENEFIT PERIOD
61 or younger	To age 65, or to SSNRA*, or 3 years 6 months, whichever is longest
62	To SSNRA*, or 3 years 6 months, whichever is longer
63	To SSNRA* or 3 years, whichever is longer
64	To SSNRA* or 2 years 6 months, whichever is longer
65	2 years
66	1 year 9 months
67	1 year 6 months
68	1 year 3 months
69 or older	1 year

\*Social Security Normal Retirement Age

Your Maximum Benefit Period begins at the end of the Benefit Waiting Period. During the Maximum Benefit Period, LTD benefits are paid at the end of each monthly period for which you qualify for LTD benefits. LTD benefits will stop at your death or at any time during the Maximum Benefit Period when you no longer qualify for LTD benefits.

**LTD benefits will stop at the end of the Maximum Benefit Period even if you are still disabled.**

**EXCEPTION FOR MENTAL DISORDERS:** Payment of LTD benefits is limited to 24 months for each period of disability caused or contributed to by a mental disorder. However, if you are confined in a hospital at the end of the 24 months, this limitation will not apply while you are continuously confined.

## **Amount of Benefit**

After the Benefit Waiting Period, the LTD Plan provides for a total monthly benefit, including Deductible Income, equal to 60% (66% for EPEA-represented employees) of your basic monthly pay up to a maximum amount. Basic monthly pay equals your monthly rate of earnings, excluding bonuses, overtime pay, commissions and any other extra compensation.

The LTD benefit is considered taxable income because the premiums are paid for by the City of Eugene. Employees who qualify for LTD benefits should contact Standard Insurance if they want taxes to be deducted directly from the LTD benefit.

<b>PAY UNIT</b>	<b>BENEFIT</b>
AFSCME*	60% of your first \$7,500 basic monthly pay (\$4,500/month maximum benefit)
Non-Represented	60% of your first \$16,000 basic monthly pay (\$9,600/month maximum benefit)
IAFF	60% of your first \$12,500 basic monthly pay (\$7,500/month maximum benefit)
IAFF-BC	60% of your first \$12,500 basic monthly pay (\$7,500/month maximum benefit)
EPEA	66% of your first \$6,000 basic monthly pay (\$3,960/month maximum benefit)
IATSE	60% of your first \$5,000 basic monthly pay (\$3,000/month maximum benefit)

\* The long term disability benefit for Recreation Activity Employees will be based on the standard hours designated in the payroll system.

## **Deductible Income**

If you become disabled, the amount of your LTD Benefit payable under the plan will be reduced by the following Deductible Income:

- Any income paid as salary, wages or other payment by the City of Eugene or any other employer, except as provided under an approved rehabilitation program
- Any sick pay or other salary continuation paid to you by the City of Eugene, not including vacation pay
- Any amount you receive or are eligible to receive under Worker's Compensation Law or other similar legislation.
- Any state disability plan benefits
- Any amount you, your spouse or your children under age 18 are eligible to receive because of your disability or retirement under the Federal Social Security Act, or any similar plan, act or law
- Any disability benefits you are eligible to receive because of your disability under any other group insurance plan or under a plan arranged and maintained by a union or employee association
- Any benefits you are eligible to receive under the City of Eugene's retirement plan (PERS or OPSRP)
- Any amount received by compromise, settlement or other method as a result of a claim for any of the above

**When income benefits are not payable from any of these sources, the entire amount of the guaranteed monthly income will be paid by the plan. When part of the guaranteed monthly income is payable from one or more of these sources, the balance will be paid by the plan.**

In all cases, the LTD Plan will pay a minimum monthly benefit of \$100. Your LTD benefit during a period of disability will be determined by your monthly pay in effect on your last day of active work before you became disabled.

It is your responsibility to make timely claims for any Deductible Income to which you may be entitled. Otherwise, the benefits from this plan can be reduced by the amount it is reasonable to believe would have become a reduction had you pursued Deductible Income in a timely manner.

You must cooperate in providing necessary information. If, as a result of the annual adjustment or amendment to the Social Security Law, Social Security benefits are increased while you are receiving benefits under this plan, such a Social Security increase will be an extra benefit, and will not be considered Deductible Income.

The following are not considered Deductible Income:

- Any cost of living increase in any Deductible Income. The increase must be effective while you are disabled and are eligible to receive the Deductible Income. (This exception does not apply to any increase in your earnings from any work.)
- Amounts you receive as reimbursement for medical expenses
- Reasonable attorney's fees incurred in connection with your claim for Deductible Income
- Benefits from an individual disability insurance policy
- Early retirement benefits under the Federal Social Security Act which are not actually received
- Group credit or mortgage disability benefits
- Accelerated death benefits paid under a life insurance policy
- Benefits from a deferred compensation plan or IRA

### **Temporary Recovery**

If, after LTD benefits become payable, you have more than one period of disability because of the same condition, these periods will be considered one period of disability if separated by a period of recovery of 180 days or less. However, if you work for six or more months between periods of disability, the new period will not be considered part of the earlier period. No benefits will be payable under this provision after benefits become payable to you under any other group LTD insurance policy.

### **Exclusions and Limitations**

Disability income is not payable if your disability is caused by or is a direct result of:

- War or any act of war. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature
- Intentionally self-inflicted injury, while sane or insane

No LTD benefits will be paid for any period disability when you are not under regular care of a physician.

Payment of LTD benefits is limited to 24 months for each period of disability caused on contributed to by a mental disorder. However, if you are a resident patient in a hospital at the end of the 24 months, this limitation will not apply while you remain continuously confined.

### **Applying for Benefits**

You must claim LTD benefits within 90 days after the end of the Benefit Waiting Period, or as soon as possible thereafter, but not later than one year after that 90 day period. Claims not filed with Standard Insurance Company within these limits may be denied. After Standard Insurance Company receives your claim, you will receive a written decision within a reasonable amount of time. If you do not receive this decision within 90 days after your claim is received, you have the right to request a review.

All claim forms are available from the Risk Services Benefits Program, which can also provide you with information regarding claims procedures.

### **Accidental Losses**

Your LTD coverage provides a Minimum Benefit Period if you suffer one of the accidental losses shown in the following table:

<b>Accidental Loss</b>	<b>Minimum Benefit Period</b>
Both Hands or Feet or Sight of Both Eyes	5 years
One Hand and One Foot	5 years
Either One Hand or Foot and Sight of One Eye	5 years
Either Hand or Foot	6 months
Sight of One Eye	6 months

Loss of hand or foot means permanent severance of the hand or foot from the body at or above the wrist or ankle joint; loss of sight of any eye means entire and irrecoverable loss of sight. The loss must be caused solely and directly by an accident, occur independently of all other causes, and occur within 180 days after the accident.

You will receive LTD benefits for the applicable Minimum Benefit Period, subject to certain exclusions. Consult the Risk Services Benefits Program or the prior pages of this booklet for a complete listing of exclusions or additional information.

### **Rehabilitation Employment**

The disability program features a Rehabilitation Program that encourages you to return to work. Under this program, you may work while LTD benefits are payable provided you are considered to be disabled. During the first year you are working, LTD Benefits will be reduced by your work earnings to the extent that your work earnings exceed 100% of your pre-disability earnings when added to your LTD Benefit. Thereafter, 50% of your work earnings will be deducted from your LTD Benefits.

**NOTE: All or part of the Benefit Waiting Period can be satisfied while you are working if you are considered disabled during your period of work activity.**

The Rehabilitation Program does not force you to return to work; it only encourages you to do so, as long as you have your doctor's permission.