SHORT-TERM DISABILITY BENEFITS

How do We define Disability?

Disability or Disabled means that You satisfy the definition of either Total Disability or Partial Disability and You are receiving Appropriate and Regular Care for Your condition from a Doctor.

Unless periods of Disability are separated by Your return to Active Work for at least 14 consecutive days, successive periods of Disability resulting from injuries received in any one Accident or from any one Sickness or related Sicknesses will be considered one period of Disability.

How do We define Total Disability?

If the institutions are in session, Total Disability or Totally Disabled means that due to Sickness or Injury You are continuously unable to perform the Material and Substantial Duties of Your Regular Occupation, and Your Disability Earnings, if any, are less than 20% of Your pre-disability Weekly Earnings.

If the institutions are not in session, Total Disability or Totally Disabled means that due to Sickness or Injury You would be continuously unable to perform the Material and Substantial Duties of Your Regular Occupation, and Your Disability Earnings, if any, would be less than 20% of Your pre-disability Weekly Earnings.

How do We define Partial Disability?

If the institutions are in session, Partial Disability or Partially Disabled means that:

1. During the Elimination Period You are able to perform some but not all of the Material & Substantial Duties of Your Regular Occupation; and
2. After the Elimination Period, due to Injury or Sickness, You are able to perform some but not all of the Material and Substantial Duties of Your Regular Occupation; and Your Disability Earnings, if any, are at least 20% but less than or equal to 80% of Your pre-disability Weekly Earnings.

If the institutions are not in session, Partial Disability or Partially Disabled means that:

1. During the Elimination Period You would be unable to perform some but not all of the Material & Substantial Duties of Your Regular Occupation; and
2. After the Elimination Period, due to Injury or Sickness, You would be able to perform some but not all of the Material and Substantial Duties of Your Regular Occupation; and Your Disability Earnings, if any, would be at least 20% but less than or equal to 80% of Your pre-disability Weekly Earnings.

You will no longer be considered Partially Disabled when You are able to increase Your current earnings by increasing the number of hours You work or the number of duties You perform in Your Regular Occupation but You do not do so.

Loss of Professional License or Certification

If You require a professional license or certification for Your occupation, loss of that professional license or certification does not in and of itself constitute Disability.

What is the Elimination Period and how is it satisfied?

The Elimination Period is a period of continuous Disability which must be satisfied before You are eligible to receive benefits from Us. It is shown in the Schedule of Benefits and begins on Your Date of Disability.

If You temporarily recover and return to work, We will treat Your Disability as continuous if You return to work for a period of less than or equal to one-half the Elimination Period rounded up to the next whole number, not to exceed 7 days. The days that You are not Disabled will not count toward Your Elimination Period.
If you return to work for a period greater than one-half the elimination period, or 14 days, whichever is less, and become disabled again, you will have to begin a new elimination period.

**Can you satisfy your elimination period if you are working?**

You can satisfy your elimination period if you are working, provided you meet the definition of disability.

**What disability benefit are you eligible to receive?**

If you are disabled and receiving appropriate and regular care for your condition from a doctor, you are eligible to receive one of the following at any given time:

1. an STD weekly benefit; or
2. a work incentive benefit.

While you are disabled, you might be eligible to receive one or the other of the above, but you cannot receive more than one of these benefits at the same time.

**What is your STD weekly benefit and how is it calculated?**

Your STD weekly benefit will be based on your weekly earnings as reported to us by your employer. An STD weekly benefit will be payable after the end of the elimination period if you are disabled.

We will calculate your gross STD weekly benefit amount as follows:

1. Multiply your weekly earnings by 60%.
2. The maximum STD weekly benefit is $693.
3. Compare the answers from item 1 and item 2. The lesser of these two amounts is your gross STD weekly benefit.
4. Subtract the deductible sources of income from your gross STD weekly benefit. The resulting figure is your net STD weekly benefit.

If a benefit is payable for less than one week, STD weekly benefit payments will be made at a daily rate of 1/7th the weekly benefit.

**Can you work and still receive benefits?**

While partially disabled, you may qualify for the work incentive benefit.

**What is the work incentive benefit and how is it calculated?**

A work incentive benefit will be payable if you are disabled and gainfully employed after the end of the elimination period, or after a period during which you received STD weekly benefits.

The work incentive benefit will be calculated while you are gainfully employed as follows:

1. We will add together the gross STD weekly benefit and your disability earnings and compare to pre-disability weekly earnings.
2. If the total amount in item 1 exceeds 100% of pre-disability weekly earnings, the work incentive benefit will be equal to the net STD weekly benefit reduced by the amount of the excess.
3. If the total amount in item 1 does not exceed 100% of pre-disability weekly earnings, the work incentive benefit will be equal to the net STD weekly benefit amount.
The Work Incentive Benefit will cease on the earliest of the following:

1. the date You are no longer Disabled; or

2. the end of the Maximum Period Payable.

The payment of a Work Incentive Benefit, combined with Your STD Weekly Benefit, will not extend the Maximum Period Payable, as shown on the Schedule of Benefits.

What are the Deductible Sources of Income?

The Gross STD Weekly Benefit under the Policy will be reduced by Disability benefits paid under any State Teachers Retirement System, Public Employees Retirement System or School Employees Retirement System.

Act or Law means the original enactment of the law or act and all amendments.

Proration of Lump Sum Awards

If any Deductible Source of Income described above is paid in a single sum through compromise settlement or as an advance on future liability, We will determine the amount of reduction to Your Gross STD Weekly Benefit as follows:

1. We will divide the amount paid by the number of weeks for which the settlement or advance was provided; or

2. If the number of weeks for which the settlement or advance is made is not known, We will divide the amount of the settlement or advance by the expected remaining number of weeks for which We will provide benefits for Your Disability based on the Proof of Disability which We have, subject to a maximum of 26 weeks.

What other sources of income are not deductible?

We will not reduce Your Gross STD Weekly Benefit under the Policy by any of the following:

1. deferred compensation arrangements such as 401(k), 403(b) or 457 plans;
2. credit disability insurance;
3. pension plans for partners;
4. military pension and Disability income plans;
5. franchise disability income plans;
6. individual disability income plans;
7. a retirement plan from another Employer;
8. profit sharing plans;
9. thrift or savings plans;
10. individual retirement account (IRA);
11. tax sheltered annuity (TSA);
12. stock ownership plan.

What happens if Your Deductible Sources of Income increase?

The Net STD Weekly Benefit will not be further reduced for subsequent cost-of-living increases which are paid, payable, or for which You or Your dependents are eligible under any Deductible Source of Income shown above.
How long will You receive benefits under the Policy?

We will send You a payment for each week of Disability up to the Maximum Period Payable as shown in the Schedule of Benefits. Payment of benefits is also subject to any benefit duration limitation pertaining to Your Disability.

What happens if Your Disability recurs?

If Disability for which benefits were payable ends but recurs due to the same or related causes less than 14 days after the end of a prior Disability, it will be considered a resumption of the prior Disability. Such recurrent Disability shall be subject to the provisions of the Policy that were in effect at the time the prior Disability began.

Disability which recurs more than 14 days after the end of a prior Disability is subject to:

1. a new Elimination Period;

2. a new Maximum Period Payable; and

3. the other provisions of the Policy that are in effect on the date the Disability recurs.

Disability must recur while Your coverage is in force under the Policy.