



VI. Long-Term Disability Program

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About This Section

The Long-Term Disability (LTD) program provides continuing income to help you meet your financial obligations should you remain disabled and be unable to work after your period of short-term disability. This section describes the benefits available to you under the Long-Term Disability program.

Some of the terms and phrases used in this benefits document have a specific meaning. Please refer to the *Important Terms* section of this document for further information.

You should also refer to the *Benefits Highlights* and the *Additional Information About Your Benefits* sections of this document for more important information regarding eligibility, how contributions are made, how elections can be changed, how to file claims and your rights under ERISA.

An Overview of the Long-Term Disability Program

The Long-Term Disability (LTD) program is designed to provide financial protection if you are unable to work as a result of an illness or injury – suffered on or off the job – for an extended period of time. You may receive LTD benefits if you have been disabled for more than 180 days and if your disability began after you became covered under the program.

To be eligible for LTD benefits, you must be continuously disabled during the elimination period and under the regular care of a physician. LTD coverage is not available to Limited-Term employees.

Definition of Disability

During the first 24 months of long-term disability payments, you are disabled when the insurance carrier determines that:

- You are limited from performing the material and substantial duties of your regular occupation due to your sickness or injury; and
- You have a 20% or greater loss in your indexed monthly earnings due to the same sickness or injury.

After 24 months of long-term disability payments, you are disabled when the insurance carrier determines that due to the same sickness or injury, you are unable to perform the duties of any gainful employment for which you are reasonably fitted by training, education or experience.

You must be under the regular care of a physician to be considered disabled.

For purposes of this definition:

- “gainful occupation” means an occupation that is or can be expected to provide you with an income at least equal to your gross disability payment within 12 months of your return to work; and
- “regular occupation” means the occupation you are routinely performing when your disability begins.

Long-Term Disability Benefit Options

Your benefit options under the Long-Term Disability program are described as a percentage of your pay. Your pay in effect just prior to the start of your disability is the basis for determining your LTD benefit. Your pay includes your income before taxes, as well as contributions made to your 401(k) plan, your Flexible Spending Accounts, and your medical, dental and vision coverage. Pay does not include income from

commissions, bonuses, overtime pay, or any other extra compensation. For sales employees, pay includes sales commissions and/or sales bonuses paid in the previous calendar year.

Basic LTD Insurance

Option 1: The Company provides a benefit equal to 50% of pay, up to a maximum monthly benefit of \$20,833. The Company pays for this benefit. If you become eligible for LTD benefits, you would pay income taxes on benefits you receive.

Option 2: This option also provides a benefit equal to 50% of pay up to \$20,833 per month. However, you pay the premiums for this option on an after-tax basis. As a result, any benefits you receive from the plan are not subject to income taxes.

Supplemental LTD Insurance

Supplemental LTD insurance is also available. This option is equal to an additional 10% of coverage, which makes your total disability benefit equal to 60% of pay, up to a maximum of \$25,000 per month. Supplemental coverage is employee paid on an after-tax basis, which means that the benefits you receive for this portion of your coverage (together with your basic LTD benefit if you elect Option 2 above) will not be subject to income tax. However, if you elect Option 1 above and supplemental coverage, a portion of your benefits will be subject to income tax and a portion will not, based on a proration formula. You can elect supplemental coverage regardless of which option you choose for basic LTD.

Evidence of insurability (EOI) is not required if you elect supplemental LTD insurance when you are first eligible. EOI is required if you elect supplemental LTD at a later date, and the additional benefit will not be effective until approved by the insurance company.

Pre-existing Condition Limitation

You will not receive LTD benefits if you had a pre-existing condition from which you became disabled within the first 12 months after your effective date of coverage. You have a pre-existing condition if:

- you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the three months just prior to your effective date of coverage; or you had symptoms for which an ordinarily prudent person would have consulted a health care provider in the three months just prior to your effective date of coverage; and
- the disability begins in the first 12 months after your effective date of coverage.

In addition, the plan will not cover an increase in your coverage made at an annual open enrollment period or change in status if you have a pre-existing condition. You have a pre-existing condition if:

- you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the three months just prior to the date your coverage increased; or you had symptoms for which an ordinarily prudent person would have consulted a health care provider in the three months just prior to your coverage increase; and
- the disability begins in the first 12 months after your coverage increased.

Reduction in LTD Benefit

The long-term disability payment you receive is reduced by income payable to you from other sources, including:

- State disability laws or an automobile liability insurance policy
- Social Security, Canadian pension plan or other law that provides you, your spouse or your children with benefits due to your total disability or your retirement
- Workers' Compensation or other laws with similar intent
- Group insurance plans or other company-sponsored disability benefits, company retirement plans or government retirement systems (except from a government employee pension benefit)
- Wages you receive while disabled (see *Benefits While You Are Working* on page 7)
- Company-paid disability and/or salary continuation benefits
- Amounts received from a third party, as a result of a judgment or settlement.

The income listed above (except retirement benefits and wages) must be payable as a result of the same disability for which you receive the LTD benefit for it to reduce your LTD benefit.

Regardless of any payments you receive from other sources, your minimum monthly benefit from the LTD plan will be the greater of \$100, or 10% of your gross disability benefit before any reductions.

When you apply for long-term disability benefits, you must submit proof of your disability as well as proof you have applied for other disability income to which you may be entitled, as described above.

Duration of Benefits

LTD benefits are payable for a maximum period depending on your age when your disability begins. Assuming you remain disabled and have a covered disability, benefits are payable according to the following schedule:

<i>Age at Disability</i>	<i>Maximum Benefit Period</i>
Less than age 60	To age 65, but not less than 5 years
60	5 years
61	4 years
62	3-1/2 years
63	3 years
64	2-2 years
65	2 years
66	1-3/4 years
67	1-1/2 years
68	1-1/4 years
69 or older	1 year

LTD benefits will be paid as long as your disability is considered a covered disability and you provide satisfactory evidence of your continuing disability to the insurance company when requested. While you are disabled, the insurance company may require that you be examined by one of its physicians. This exam will be at no cost to you, but if you refuse, your LTD benefits may stop.

Limitations for Mental Illness

If you are disabled because of mental illness, the Plan will pay benefits for up to 24 months. The Plan will continue to pay LTD benefits if, at the end of the 24-month period, you are confined in a hospital or institution.

If you are still disabled when you are subsequently discharged, the Plan will pay benefits for a recovery period of up to 90 days. If you are confined again during the recovery period for at least 14 consecutive days, the Plan will pay benefits during the confinement and for one additional recovery period of up to 90 days.

The Plan will not pay beyond the shorter of the limited mental illness or the maximum benefit period as indicated in the chart above.

Mental illness as a result of the following conditions will not be subject to the above limitation:

- Stroke
- Trauma
- Viral infection
- Alzheimer's disease
- Other conditions not typically treated by a mental health provider using psychotherapy, psychotropic drugs, or other similar treatments.

How Disability Affects Your Other Benefits

For information on how medical, dental, vision, life insurance and other benefits are affected, please refer to the *Life Events Action Chart* in the Benefits Highlights section of this document.

When Disability Benefits End

In addition to the limitation for mental illness, your monthly LTD benefit will end on the earliest of:

- During the first 24 months of payments, when you are able to work in your regular occupation on a part-time basis but you choose not to
- after 24 months of payments, when you are able to work in any gainful occupation on a part-time basis but you choose not to
- The end of your maximum period of payment
- The date you are no longer disabled under the terms of the plan, unless you are eligible to receive benefits under Unum's Rehabilitation and Return to Work Assistance program
- The date you fail to submit proof of continuing disability
- After 12 months of payments if you are considered to reside outside the United States or Canada for a total of six months or more during any 12 consecutive months of benefits
- The date your disability earnings exceed the amount allowable under the plan
- The date you die.

Recurring Disabilities

If you recover from a disability, return to work and become disabled again for the same or a related condition within the next six months, the second disability will be treated as an extension of the prior disability, and you will not need to satisfy a new 180-day waiting period.

If you have been back at work for six months or more and your disability recurs, it will be treated as a new disability. You will need to complete a 180-day waiting period before disability benefits begin.

Benefits While You Are Working

If you are disabled and working and have at least a 20% loss in earnings, you may continue to receive long-term disability benefits.

You will continue to receive your long-term disability benefits during the first 12 months of employment. However, the maximum you can receive from the Long-Term Disability Plan and rehabilitative employment combined is 100% of your pre-disability pay. If the combined total is more than your pre-disability earnings, the monthly long-term disability benefit will be reduced by the excess amount.

After the first 12 months of payments, your monthly benefit will be determined by the percentage of income you are losing due to your disability. During the first 24 months of disability payments, if your monthly disability wages are more than 80% of your LTD benefit, your benefit will cease. Beyond 24 months of disability payments, your benefit will cease if your earnings are greater than your disability payment.

What is Not Covered by the LTD Program

Benefits will not be paid for disabilities caused by, contributed to by, or resulting from:

- War, declared or undeclared, or any act of war
- Intentionally self-inflicted injuries
- Active participation in a riot
- Your participation in a felony
- A pre-existing condition.

Recovery of Benefit Overpayments

If, for some reason, the insurance company has overpaid your benefit, they have a right to recover the excess amount, or to reduce future benefit payments until reimbursement is made. This includes recoveries due to overpayments because you were entitled to Workers' Compensation benefits, Social Security benefits, or related payments that were not deducted from your benefits under the Plan.

Survivor Benefits

If you die while receiving LTD benefits, your surviving spouse will be eligible for a benefit from the Plan. If your spouse is not living at the time of your death, the Plan will pay benefits to your dependent children under age 25. If there is no eligible survivor, payment will be made to your estate, unless there is none. In this case, no benefits will be paid.

The Plan will pay a lump sum benefit equal to three times the gross monthly disability payment, if on the date of your death:

- Your disability had continued for 180 or more consecutive days, and
- You were receiving or were entitled to receive payments under the Plan.

Conversion of Coverage

When you leave the Company, you may be eligible to continue your basic and supplemental disability coverage. The coverage may not be identical to the coverage you had while employed by the Company, and you will have to pay premiums to the insurance company directly. To be eligible, you must have been covered under the LTD plan for at least 12 consecutive months, and you cannot be covered by another employer's group LTD plan within 31 days of your leaving the Company.

You will receive information about conversion of coverage when you leave the Company.