City of Milwaukee

Long Term Disability Insurance Plan

For selected City of Milwaukee employees, and
for employees of HACM, RACM, and MEDC

The City of Milwaukee provides long term disability (LTD) insurance through Standard Insurance Company. All eligible employees who have been on the payroll for at least six months receive this benefit. The Housing Authority of the City of Milwaukee (HACM), the Redevelopment authority of the City of Milwaukee (RACM) and the Milwaukee Economic Development Corporation (MEDC) also provide this benefit to their employees.

This disability insurance allows you to project your income if illness of injury prevents you from performing your job and could be especially important if your salary is your primary or sole source of income.

You are encouraged to read this brochure thoroughly. It contains detailed information about the two types of disability insurance offered:

1. Plan 1 LTD – which is provided by your employer at no cost to you.
2. Plan 2 LTD – which has three options and the cost will be covered by you.

For further information, please contact Standard Insurance Company at 800.535.8465. City employees can call Employee Relations/Employee Benefits Division at 414.286.3184. HACM and RACM employees should call 414.286.5886.

Why does the City need a long term disability insurance program?

The City has several programs that can provide City employees with income when a disabling injury or sickness prevents them from working. The City provides benefits through a sick leave program, a pension disability benefit, and a terminal leave benefit.

The long term disability insurance program will supplement the sick leave and pension disability programs.

What is the LTD Insurance Program?

The Long Term Disability Insurance Program features two parts:

a. a core benefit (Plan 1), and

b. an optional benefit (Plan 2)

The core benefit (Plan 1) is provided by the City at no cost to eligible City employees. The optional benefit (Plan 2) can be purchased by employees and paid through payroll deductions.

Plan 1 LTD Insurance Plan Features

Monthly LTD Benefit: 60% of the first $8,333 of Pre-disability Earnings, reduced by Deductible Income.

Maximum Monthly LTD Benefit: $5,000

Minimum Monthly LTD Benefit: $100

Benefit Waiting Period: 180 calendar days

Maximum Benefit Period:

Age When Disabled	Maximum Benefit Period
59 or younger	To age 65
60 through 64	5 years
65 through 68	To age 70
69 or older	1 year

Plan 2 LTD Insurance Plan Features

Monthly LTD Benefit: 60% of the first $8,333 of Pre-disability Earnings, reduced by Deductible Income.

Maximum Monthly LTD Benefit: $5,000

Minimum Monthly LTD Benefit: $100

Benefit Waiting Period: Option A: 120 calendar days
Option B: 90 calendar days
Option C: 60 calendar days

Maximum Benefit Period: Option A: 60 calendar days
Option B: 90 calendar days
Option C: 120 calendar days

Plan 2 benefits end when Plan 1 benefits become payable.

Who is eligible for the LTD Program?

At present only employees in the following labor groups are eligible to participate in this program:

a. Milwaukee District Council 48, AFSCME;

b. Joint Bargaining Unit Local #139/DC 48;

c. Management employees (including all fire and police civilian management)

d. Non-management – non-represented employees.

e. Local 75 Plumbers Union

f. Local 494 Electrical Group

g. Staff Nurses Council

h. TEAM

i. Scientific Personnel

j. Affiliated employees who work for HACM, RACM or MEDC are also eligible.

k. Local 494 (Machine Shop)

l. Association of Municipal Attorneys

m. Local 195, IBEW Bridge Operators

n. Local 494 (Fire Equipment Dispatchers)

o. Milwaukee Building and Construction Trades Council

p. Local 61, Sanitation

q. Local 510, IAM District #10

If I am currently enrolled in one of the three Plan 2 Options, do I need to fill out a new card to continue in the same Plan 2 Option?

No, you do not. Your current Plan 2 enrollment will not change unless you complete a new enrollment card during an annual enrollment period to either drop Plan 2, or to change to a different Plan 2 Option.

If I want only the City paid Plan 1 (180 day), do I need to fill out an enrollment card during the annual enrollment period?

No, you do not. If you want only the City paid Plan 1 (180 day), you do not need to return an enrollment card.

When does my insurance become effective?

Subject to the Active Work requirement described below, Plan 1 insurance becomes effective on the date you become eligible. For Plan 1 you do not need to complete an enrollment card.

You must complete the enrollment card in this brochure and agree to pay premiums if you wish to enroll in any of the three Plan 2 Options.

Subject to the Active Work requirement, your Plan 2 insurance becomes effective on the later of January 1 following your sign up during the open enrollment period and the appropriate date determined below:

- The date you become eligible if you apply on or before that date;
- The date you apply if you apply within 31 days of the date you become eligible; and
- The date Standard Insurance Company approves your Evidence of Insurability, if you apply more than 31 days after you become eligible. This requirement will be waived for you if you apply for LTD Insurance during the City of Milwaukee's annual enrollment period.

If you are currently enrolled in a Plan 2 option and wish to change to another Plan 2 option, complete a new enrollment card. Your current Plan 2 enrollment will not change unless you complete another enrollment card during an annual open enrollment period.

Active Work Requirement

If Physical Disease, Mental Disorder, Injury or Pregnancy prevent you from working 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.

What is the cost of Plan 2 LTD Insurance?

Your Plan 2 LTD Insurance premium is a percentage of your annual earnings.

Option A: .09% of your Predisability Earnings up to $100,000 per year.

Option B: .13% of your Predisability Earnings up to $100,000 per year.

Option C: .68% of your Predisability Earnings up to $100,000 per year.

Since the premium is to be paid on a biweekly period basis, the following is a table showing three hypothetical biweekly predisability earnings and the resulting biweekly premium.

Option	$1,000 biweekly earnings	$1,500 biweekly earnings	$2,000 biweekly earnings
A: 120 Days	$ 0.90	$ 1.35	$ 1.80
B: 90 Days	$ 1.30	$ 1.95	$ 2.60
C: 60 Days	$ 6.80	$ 10.20	$ 13.60

To determine your biweekly premium deduction, divide your biweekly earnings by 100 and multiply by:

Option A: .09
Option B: .13
Option C: .68

For example, if Mary is enrolled in Option B and earns $1,685 biweekly, her biweekly premium deduction would be $2.19 [($1,685/100) (.13) = $2.19].

Who needs LTD Insurance?

Persons who have reason to protect their income if they become Disabled. Whether you're single or married, young or old, you invest a lot of hard work to provide for yourself and your family. LTD Insurance is a way to help protect that investment.

Should I select Plan 2 LTD Insurance?

This is always your choice.

However, think about this, the Benefit Waiting Period before LTD Benefits become payable for Plan 1 is 180 calendar days. You would need to have accrued approximately 120 days of sick leave to serve the Benefit Waiting Period for Plan 1. Do you have enough accrued sick leave to cover those 180 calendar days? If not, you will want to consider the shorter Benefit Waiting Periods provided by the Options of Plan 2.

How do I determine whether Plan 2 is right for me?

To determine if plan 2 is right for you, you may want to talk with your payroll clerk to determine your accrued sick leave. You may also want to estimate your monthly expenses, including house payment/rent, car payment or other installment debt, living expenses, etc.

Then determine other possible sources of income, including workers' compensation, Social Security, disability retirement benefits, etc.

Once you have determined what you need to cover your monthly expenses, then you can decide if Plan 2 LTD Insurance is right for you.

Remember, it's your choice.

How do I apply for Plan 2 LTD Insurance?

To enroll for Plan 2 LTD Insurance, you must complete the attached enrollment form and agree to pay premiums. Follow the instructions carefully for the return of the enrollment card. Premium payment will be made through payroll deduction on a biweekly basis.

When do LTD Benefits become payable?

If you are covered under Plan 1, you must be Disabled for 180 calendar days (approximately 120 sick days or 960 hours of sick leave) before Plan 1 LTD Benefits become payable.

If you are covered under Plan 2, you must be disabled for 120 days (approximately 85 sick days or 680 hours of sick leave) for Option A; 90 calendar days (approximately 60 sick days or 480 hours of sick leave) for Option B; or 60 calendar days (approximately 40 sick days or 320 hours of sick leave) for Option C; before Plan 2 LTD Benefits become payable.

When am I considered Disabled?

You will need to complete the Benefit Waiting Period and meet one of the following Definitions Of Disability during the period it applies:

- Own Occupation – During the Benefit Waiting Period and for the first 24 months that LTD Benefits are paid, you are Disabled from your Own Occupation if, as a result of Physical Disease, Mental Disorder, Injury or Pregnancy, you are unable to perform with reasonable continuity the Material Duties of your Own Occupation.
- Any Occupation – From the end of the Own Occupation Period to the end of the Maximum Benefit Period, 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.
- Partial Disability – During the Benefit Waiting Period and the Own Occupation Period, you are Partially Disabled when you are working but, as a result of Physical Disease, Mental Disorder, Injury or Pregnancy, you are unable to earn more than 80% of your Indexed Predisability Earnings. During the Any Occupation Period, you are Partially Disabled when you are working but, as a result of Physical Disease, Mental Disorder, Injury or Pregnancy, you are unable to earn more than 60% of your Indexed Predisability Earnings. Your Work Earnings may be Deductible Income.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as your regular and ordinary employment with the City .Your Own Occupation is not limited to your job with the City.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation.

What are my Predisability Earnings?

Your Predisability Earnings are your earnings from your Employer. Predisability Earnings include not only your base salary, but also shift differential pay and contributions you make to your Employer's deferred compensation plan. Predisability Earnings does not include bonuses, commissions, overtime pay, your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan, or any other extra compensation.

What about Deductible Income?

LTD Benefits may be reduced if you receive or are eligible to receive income from other sources (i.e., Deductible Income). Deductible Income includes, but is not limited to: Sick pay or other salary continuation, Work Earnings, Social Security (primary and dependent), Workers' Compensation, other group disability insurance benefits, your retirement benefits, etc. Benefits from an individual disability insurance policy are not considered Deductible Income.

When do LTD Benefits end?

LTD Benefits end automatically on the earliest of the following:

- The date you are no longer Disabled.
- The date your Maximum Benefit Period ends.
- The date you die.
- The date benefits become payable under any other LTD insurance policy under which you become insured during a period of Temporary Recovery.

When does LTD Insurance end?

LTD Insurance ends automatically on the earliest of:

- The date the last period ends for which you made a premium contribution.
- The date the Group Policy terminates.
- The date your employment terminates.
- The date you cease to be an eligible employee.
- Return to Work from Unpaid Leave. All employees that return to work after an unpaid leave that have lasted more than one pay period must complete a new Plan 2, LTD enrollment form to activate their Plan 2 LTD option.

Exclusions and Limitations

- The Policy does not cover a Disability caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Disabled, you have been continuously insured under the Group Policy for at least 12 months and you have been Actively At Work for at least one full day after the end of those 12 months.
- A Preexisting Condition is any Injury, Physical Disease, Mental Disorder or Pregnancy for which you consulted a Physician, received medical treatment or took prescribed drugs or medications during the 90 day period before your insurance becomes effective.

  The Preexisting Condition exclusion also applies from the effective date of your coverage under Plan 2 and from the effective date of a change in Plan 2 Option which results in a decrease of the Benefit Waiting Period.
- Disabilities caused or contributed to by War or any act of War are not covered.
- Disabilities caused or contributed to by intentionally self-inflicted Injuries, while sane or insane, are not covered.
- No LTD Benefits will be paid when you are not under the ongoing care of a Physician.
- Payment of LTD Benefits is limited to 24 months for each period of Disability caused or contributed to by a Mental Disorder.
- Payment of LTD Benefits is limited to 24 months during your entire lifetime for a Disability caused or contributed to by your use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.

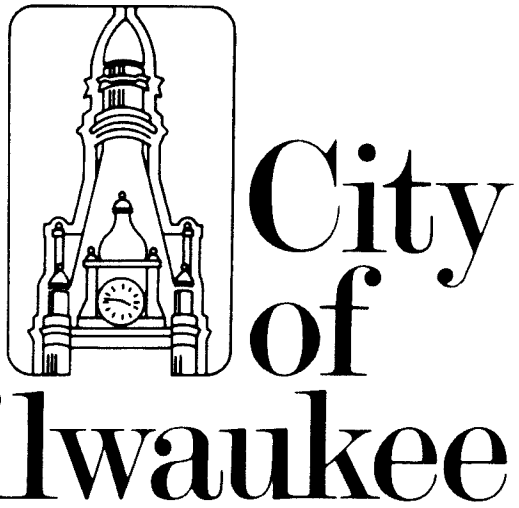
Enroll today!

It may never be easier or more affordable to add this important LTD Insurance plan to your benefit package.

Should you become insured, you will receive a Certificate of Insurance. Please read it carefully. The Group Policy contains the controlling provisions of this LTD Insurance plan and neither this material, the certificate, nor any other material, may modify those provisions in any way. References to defined terms and provisions in the Group Policy have their initial letter capitalized.

STANDARD INSURANCE COMPANY

CITY OF MILWAUKEE
ENHANCED LTD ENROLLMENT FORM
(MULTI - OPTION)



Policy Number	Dept. No.	Employer Name *(Policyowner)*		Social Security No.
626556		**City of Milwaukee**	☐ CITY ☐ HACM ☐ RACM ☐ MEDC	

Member Name *(Last, First, M.I.)*	Sex ☐ M ☐ F	Birthdate *(Mo/Day/Yr)*

Date Employed *(Mo/Day/Yr)*	Occupation	Return To Work *(Mo/Day/Yr)*	Eff. Date of Ins. *(Mo/Day/Yr)* *Office Use Only*

Hours Worked Weekly for this Employer *(Excluding Overtime)*	Workplace Location *(City, State)*	Basic Earnings *(Gross from this Employer)* ☐ Biweekly ☐ Annual

I understand that I am currently enrolled in a basic long term disability insurance program through my employer and wish to enroll in the voluntary portion of the group long term disability insurance program. I authorize deductions from my wages to cover my contribution toward the cost of my insurance. I understand that if, after my initial selection, I wish to change Plan Options, my coverage under the new Option will be subject to any applicable Medical Evidence of Insurability requirements and Pre-Existing Condition Exclusions.

I wish to enroll in: ☐ Option A (120 days) ☐ Option B (90 days) ☐ Option C (60 days)

(Plan Specifications are detailed in the Certificate of Insurance)

Date	Signature of employee *(if enrolling in voluntary coverage)*

☐ I am currently enrolled in the Plan 2 voluntary group long term disability insurance program, but I elect to terminate my Plan 2 coverage. I understand that if I elect to re-enroll for Plan 2 voluntary coverage, my coverage will be subject to any applicable Medical Evidence Of Insurability Requirements and Pre-Existing Condition Exclusions.

Date:_____ Signature:_____

Group Administrator: Please maintain form in your file. Forward to Standard in the event of a claim only. (8/97)

INSTRUCTIONS

If you intend to enroll in one of the options of Plan 2, complete the enrollment card above, cut on the dotted line and return it to **DER/Employee Benefits Division, City Hall, Room 701, 200 East Wells Street, Milwaukee, WI 53202–3560**. If you have questions, please call Employee Benefits Division at **(414) 286-3184**, or Standard Insurance Company at **1-800-535-8465**.