



TheStandard®

## Group Voluntary Short Term Disability Insurance FOR EMPLOYEES OF COUNTY OF SAN MATEO

Answers to your questions about coverage from Standard Insurance Company



STANDARD INSURANCE COMPANY

## About This Booklet

This booklet is designed to answer some common questions about the group Voluntary Short Term Disability (STD) insurance coverage being offered by the County of San Mateo to eligible employees. It is not intended to provide a detailed description of the coverage.

If you become insured, a group insurance certificate will be made available to you containing a detailed description of the insurance coverage, including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the *group policy* issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way. If you have additional questions, please contact your human resources representative.

Please note that defined terms and provisions from the *group policy* are italicized in this booklet.



TheStandard®

# Voluntary Short Term Disability Insurance Features

Chances are you already purchase home, auto and life insurance to protect yourself against the threat of loss. And you probably have health insurance to guard against costly medical bills.

So, what steps have you taken to help shield yourself, your lifestyle and those who count on you from an unexpected loss of income? Would you be able to meet your financial obligations if you became disabled and unable to work?

STD insurance is designed to pay a weekly benefit to you in the event you cannot work because of a covered non-occupational illness or injury. This benefit replaces a portion of your income, thus helping you to meet your financial commitments in a time of need.

By sponsoring group Voluntary STD insurance from Standard Insurance Company, your *employer* offers you an excellent opportunity to help protect yourself and your lifestyle. The advantages to you include:

- **Convenience.** With premiums deducted directly from your paycheck, you don't have to worry about mailing monthly payments.
- **Savings.** Typically, group insurance rates are lower than the rates of individual insurance plans, generally providing you with coverage at a lower cost.
- **Peace of Mind.** You can take comfort and satisfaction in knowing that you have taken a step toward securing your income during a period of disability.

## Commonly Asked Questions

The following information provides details to give you a better understanding of group Voluntary STD insurance available from The Standard. Written in non-technical language, this is not intended as a complete description of the coverage.

### Do I need STD insurance?

If you are not certain that you need STD coverage, consider if you would be able to meet your financial obligations if you became *disabled* and unable to work for an extended period of time. The risk of *disability* may be greater than you think. Recent statistics have shown:

- On the average, about 2,329 disabling injuries occur every hour during the year. (Source: National Safety Council, *Injury Facts*, 2003)
- 21.3 million or 11.9 percent of all Americans aged 16 to 65 have a disabling condition that affects their ability to work at a job or business. (Source: US Census Bureau, *Disability Status: 2000*, March 2003)
- Nearly one person in five, about 49.7 million Americans, has some type of long lasting condition or *disability*. (Source: US Census Bureau, *Disability Status: 2000*, March 2003)

If you depend on your regular paycheck to pay your bills, what would happen if you became sick and couldn't work? Voluntary STD insurance from The Standard may be part of the solution.



## Am I eligible for this coverage?

To be a *member* and eligible for the Voluntary STD insurance coverage, you must be:

- A regular employee of the County of San Mateo
- *Actively at work* at least 20 hours each week
- A citizen or resident of the United States or Canada

You are not eligible for coverage if you are: insured under the California State Disability Insurance (SDI) plan; an employee represented by AFSCME, BCTC, CNA, SEIU, LEU, Comm Dispatch or UAPD who has been continuously employed by the *employer* for more than seven months; an extra help employee; a temporary or seasonal employee; a full-time member of the armed forces of any country; a leased employee or an independent contractor.

You become eligible for coverage on the first day of the pay period following 28 consecutive days as a *member*.

## When does my insurance go into effect?

The effective date of your coverage depends on when you become eligible, when you apply and whether you are required to provide *evidence of insurability*.

If you are **not** required to provide *evidence of insurability*, if you apply and agree to pay premiums, your Voluntary STD coverage becomes effective on:

- The date you become eligible, if you apply on or before that date.
- The date you apply, if you apply within 31 days after you become eligible.

You will be required to submit and have approved *evidence of insurability* if you apply more than 31 days after you become eligible.

If you are required to provide *evidence of insurability*, if you apply and agree to pay premiums, your Voluntary STD coverage becomes effective on the date The Standard approves your *evidence of insurability*.

In every case, you must meet the *active work* requirement before your insurance becomes effective.

## What is the active work requirement?

*Active work* and *actively at work* mean performing with reasonable continuity, the *substantial and material acts* of your *own occupation* at your *employer's* usual place of business. You must be capable of *active work* on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are not *actively at work* on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete one full day of *active work* as an eligible *member*.

## Will I have to provide information regarding my medical history?

The Standard may require you to provide information regarding your medical history, referred to as *evidence of insurability*, if you:

- Apply more than 31 days after you become eligible for insurance
- Were eligible but not insured under your *employer's* prior group STD plan, if any
- Terminate your STD coverage for any reason but later apply to become insured again
- Wish to become insured for an elective increase in coverage

Contact your human resources department for a Medical History Statement when *evidence of insurability* is required. In some cases, The Standard may request additional medical information or a physical exam.

## When am I considered disabled?

During the *benefit waiting period* and to the end of the *maximum benefit period*, you are considered *disabled* if, as a result of *physical disease, injury, pregnancy or mental disorder*.

- You are unable to perform with reasonable continuity the *substantial and material acts* of your *own occupation* and you are not working in your *own occupation*, or
- You are working in your *own occupation* but as a result of *physical disease, injury, pregnancy or mental disorder* you are unable to earn 80 percent or more of your *predisability earnings*.

You are not *disabled* merely because your right to perform your *own occupation* is restricted, including a restriction or loss of license. You may work in another occupation while you meet the definition of *disability*; however, you will not be considered *disabled* when your *work earnings* meet or exceed 80 percent of your *predisability earnings*.

## When do STD benefits become payable?

If you become *disabled* and your claim for *STD benefits* is approved by The Standard, *STD benefits* become payable after the *benefit waiting period*. This is a specified number of days during which you must remain continuously *disabled*. *STD benefits* are not payable during the *benefit waiting period*. The *benefit waiting period* is 14 days. However, if you become hospital-confined, the remainder of the *benefit waiting period* will be waived.

## How much is the STD benefit amount?

Your weekly *STD benefit* is the amount determined below, reduced by *deductible income*.

Classification	Weekly STD Benefit
Confidential employees, Attorneys, Members of the California Federation of Interpreters, Members of the Board of Supervisors, District employees, and Management employees	You may elect one of the following options: Option 1: \$95 (not to exceed 70% of weekly <i>predisability earnings</i> ) Option 2: 60% of the first \$1,645 of weekly <i>predisability earnings</i> )
All other eligible employees	\$95 (not to exceed 70% of weekly <i>predisability earnings</i> )

## How is the STD benefit amount calculated?

The *STD benefit* amount is determined as shown above, and then reduced by other income you receive or are entitled to receive while *STD benefits* are payable. This other income is referred to as *deductible income*.

In the example below for a Confidential employee, the *STD benefit* amount is 60 percent of insured *predisability earnings*. If you are a Confidential employees and your weekly earnings (or *predisability earnings*) before becoming *disabled* were \$500 and you now receive a weekly state disability benefit of \$50, your weekly *STD benefit* would be calculated as follows:

Insured <i>predisability earnings</i> .....	\$500
<i>STD benefit</i> percentage .....	x 60%
	\$300
Less state disability income benefit .....	- \$ 50
Amount of <i>STD benefit</i> .....	\$250

## What are predisability earnings?

*Predisability earnings* are your weekly rate of earnings from your *employer* and include:

- Salary
- Shift differential pay
- Contributions you make through a salary reduction agreement with your *employer* to an IRC Section 401(k), 403(b), 408(k), 408(p) or 457 deferred compensation arrangement, or an executive nonqualified deferred compensation arrangement
- Amounts contributed to fringe benefits according to salary reduction agreements under an IRC Section 125 plan

*Predisability earnings* exclude bonuses, commissions, overtime pay, stock options and bonuses, your *employer's* contribution to a deferred compensation arrangement or pension plan or any other extra compensation. They are based on your earnings in effect on your last full day of *active work*. Please contact your human resources representative for additional information regarding what is included in *predisability earnings*.

## What is deductible income?

*Deductible income* is income you receive or are entitled to receive while *STD benefits* are payable. It is used to reduce the amount of your *STD benefit*. It includes, but is not limited to, the following:

- Amounts received under unemployment compensation law
- Benefits you receive or are entitled to receive because of your *disability* under any state disability income benefit law or similar law
- Disability benefits you receive from any other group insurance which, when added to the *LTD benefit*, exceed 80 percent of your *indexed predisability earnings*
- Social Security disability benefits, including benefits for your *spouse* and children, that the person receives or is entitled to receive
- Social Security retirement benefits, including benefits for your *spouse* and child, that the person receives

- Amounts you receive or are entitled to receive because of your *disability* or amounts you receive because of your retirement under your *employer's* retirement plan, including a public employee retirement system, a state teacher retirement system, or a plan arranged and maintained by a union or employee association for the benefit of its members
- Earnings from work activity while you are *disabled*
- Earnings or compensation included in your *predisability earnings* which you receive or have a right to receive while *LTD benefits* are payable
- Amounts due from or on behalf of a third party because your *disability*, whether by judgement, settlement or otherwise (less attorney's fees)
- Any amount you receive by compromise, judgment, settlement or other method as a result of a claim for any of the above

### What is the maximum benefit period?

If you become *disabled*, *STD benefits* may continue during *disability* for up to the following number of days.

Classification	Weekly STD Benefit
Confidential employees, Attorneys, Members of the California Federation of Interpreters, Members of the Board of Supervisors, District employees, and Management employees	52 weeks
All other eligible employees	18 weeks

This is the maximum period for which *STD benefits* are payable for any one period of continuous *disability*. If you are eligible to receive benefits under any other disability plan, your *STD benefits* will end when the other disability benefits become payable, even if this occurs before the end of the *maximum benefit period* for the *STD benefits*.

### When do STD benefits end?

*STD benefits* end automatically on the earliest of:

- 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 disability plan under which you become insured through employment during a period of *temporary recovery*
- The date long term disability (LTD) benefits become payable to you under a group policy
- The date you fail to provide proof of continued *disability* and entitlement to benefits
- The date your *work earnings* equal or exceed 80% of your *predisability earnings*

## What are some of the other features of this coverage?

This STD coverage has the following features:

- If premium payments are made with “after-tax” dollars, *STD benefits* are federally tax-free under current federal tax law.
- If your *employer* makes an approved work-site modification that enables you to return to work while *disabled*, The Standard will reimburse your *employer* up to a pre-approved amount for some or all of the cost of the modification.
- If the *group policy* terminates, *STD benefits* will continue as long as you are eligible to receive them.

## What exclusions apply to this coverage?

You are not covered for a *disability* caused or contributed to by any of the following:

- Your involvement in any employment for wage or profit
- Your committing or attempting to commit an assault or felony, or your active participation in a violent disorder or riot (except while performing official duties)
- An intentionally self-inflicted *injury*, while sane or insane
- *War* or any act of *war* (declared or undeclared, and any substantial armed conflict between organized forces of a military nature)

## What limitations apply to this coverage?

*STD benefits* are not payable for any period when you are:

- Not receiving appropriate care from a *physician* until maximum point of recovery
- Not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by The Standard, unless your *disability* prevents you from participating
- Confined for any reason in a penal or correctional institution
- Eligible to receive benefits for your *disability* under a workers’ compensation law or similar law

## When does my Voluntary STD insurance coverage end?

The Voluntary STD insurance ends automatically on the earliest of the following:

- The date the last period ends for which you make a premium contribution
- The date your employment terminates
- The date the *group policy* terminates
- The date you cease to be a *member*; however, insurance may continue for limited periods under certain circumstances as described in the *group policy*



## How much will the Voluntary STD coverage cost?

**For Confidential employees, Attorneys, Members of the California Federation of Interpreters, Members of the Board of Supervisors, District employees, and Management employees** – The semi-monthly premium rates for the group Voluntary STD coverage are indicated in the table below.

Age as of January 1	Semi-monthly Rate per \$100 of monthly STD benefit
< 30	\$0.237
30 - 34	\$0.278
35 - 39	\$0.320
40 - 44	\$0.391
45 - 49	\$0.546
50 - 54	\$0.618
55 - 59	\$0.875
60+	\$1.214

1. Enter your average weekly income, not to exceed \$1,645 on Line 1 . . . . Line 1: \$ \_\_\_\_\_
2. Multiply your weekly earnings on Line 1 by .60 and enter on Line 2 . . . . Line 2: \$ \_\_\_\_\_
3. Multiply the amount on Line 2 by 4.333 . . . . . Line 3: \$ \_\_\_\_\_
4. Select your rate from the rate table and enter on Line 4 . . . . . Line 4: \$ \_\_\_\_\_
5. Multiply Line 3 by the amount entered on Line 4 . . . . . Line 5: \$ \_\_\_\_\_
6. Divide the amount entered on Line 5 by 100 and enter on Line 6. . . . . Line 6: \$ \_\_\_\_\_

The amount shown on Line 6 is your estimated semi-monthly payroll deduction.

**For all other eligible employees** – The semi-monthly premium rate for the group Voluntary STD coverage is \$2.347.

Premiums for the Voluntary STD coverage will be deducted directly from your paycheck. If you have questions regarding how to determine your *predisability earnings*, please contact your human resources representative.

## How do I apply for Voluntary STD insurance coverage?

To apply for Voluntary STD insurance, complete the Enrollment Form in your enrollment packet, place it in a confidential envelope and submit it to your human resources department. You can apply at any time, but remember if you apply more than 31 days after becoming eligible, satisfactory *evidence of insurability* is required. Coverage subject to *evidence of insurability* is not effective until approved by The Standard.

## What if I have additional questions?

If you have any additional questions, please contact your human resources representative.

## About Standard Insurance Company

Your *employer* has chosen Standard Insurance Company to provide group Voluntary STD coverage to eligible employees. The Standard has earned a solid reputation for its quality products, superior customer service, expert resources, steady growth, innovation and strong financial performance. Founded in 1906, The Standard has developed a national presence in the employee benefits industry, providing customers with group and individual disability insurance and retirement plans, and group life and dental insurance.

Just as others count on you, you can count on The Standard for Voluntary STD insurance in a time of need. Talk with your *employer's* human resources representative for more information about group Voluntary STD insurance from The Standard.



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