

# **WELS VEBA Long Term Disability Income Plan**

## **Summary of Benefits\***

### **Amount of Benefit**

A disabled worker will receive a benefit amount equal to 66.67% of the worker's total compensation. Compensation is the sum of a worker's base salary, housing allowance (if any), and utilities allowance (if any).

### **Maximum Benefit**

\$5,000/month

### **Minimum Benefit**

15% of the monthly benefit or \$100, whichever is greater.

### **Elimination Period**

90 continuous days. The elimination period is a waiting period during which no benefit is paid. On the 91<sup>st</sup> day of the disability, a worker may be eligible to receive benefits.

### **Premium Cost**

For workers who are enrolled in the WELS VEBA Group Health Care Plan, the WELS VEBA Long Term Disability (LTD) Income Coverage is automatic and the cost for the LTD coverage is included in the cost for the WELS VEBA Group Health Care Plan.

The annual cost for the optional LTD coverage is calculated by multiplying the premium rate times the worker's annual compensation. The current premium rate is 0.36%. As such, the annual cost to cover a worker whose annual compensation is \$25,000 would be \$90.00 (.0036 x \$25,000 = \$90.00). Premium statements for the optional LTD coverage are sent on a quarterly basis to the payor (i.e., to either the individual worker or the respective Sponsoring Organization).

### **Enrollment Period**

Workers who are enrolled in the WELS VEBA Group Health Care Plan need not enroll in the WELS VEBA Long Term Disability Income plan since the LTD coverage is automatic for such individuals.

Workers who are not enrolled in the WELS VEBA Group Health Care Plan can enroll in the LTD plan without providing any evidence of medical insurability within 60 days from the date they become eligible for this coverage. After 60 days from the eligibility date, the worker will need to provide evidence of medical insurability when applying for the LTD coverage. Workers who are not enrolled in the WELS VEBA Group Health Care Plan may not obtain or keep the LTD coverage unless their calling/hiring body provides WELS VEBA Group Health Care Plan coverage for other workers.

### **Definition of Disability**

A Total Disability means the Employee, because of Injury or Sickness, is unable to perform the Material and Substantial Duties of his or her Own Occupation. A Partial Disability means the Employee, because of Injury or Sickness, is unable to perform the Material and Substantial Duties of his or her Own Occupation and the Employee has Disability Earnings of less than 80% of his or her Indexed Total Monthly Earnings.

### **Reductions in Benefit**

A disabled worker's benefit will be reduced by any Social Security benefits which are received by the worker, any retirement benefits received from the Employer sponsored retirement program, any benefits received from Worker's Compensation, and benefits received under occupational disease law, or any other similar benefit, and any other group LTD plan which is maintained by the respective Sponsoring Organization.

### **For Workers Who Have Opted Out of Social Security**

There will be NO Social Security reduction of benefits for workers who have opted out of Social Security.

### **For Workers Who Maintain an Additional Individual LTD Plan**

There will be no reduction in benefits for benefit amounts which are received from an additional individual LTD plan. A worker may collect a benefit from both an individual LTD plan and the WELS VEBA Long Term Disability Income plan.

\* If there is ever a discrepancy between this Summary of Benefits and the provisions of the coverage as stated in the certificate booklet, the certificate booklet shall take precedence.