



## UNC Supplemental Long Term Disability Coverage

### If you experienced a disability that prevented you from working, are you financially prepared?

Over half of Americans have no savings earmarked for emergencies, yet more than 25% of today's 20-year-olds will become disabled during their career. And, as we age, the likelihood that we'll experience a long-term disability only increases.

The UNC System, through North Carolina's Teachers and State Employees Retirement System, provides you with basic Short-Term Disability (STD) and basic Long-Term Disability (LTD) coverage at no cost to you. These coverages pay a portion of your lost wages if you're injured on or off the job or become ill and can no longer do your job. However, you may wish to consider purchasing additional protection to help fill in any income gaps.

Supplemental Long-Term Disability is additional coverage you can purchase to maximize your income while you're unable to work. As long as you remain disabled, benefits are available to age 65, or later if you become disabled after age 60.

The specific UNC Supplemental Disability Plan that is available to you depends on which retirement program you participate in.

- If you participate in the ORP, the supplemental disability plan that's available to you is provided by The Standard.
- If you participate in TSERS, the supplemental disability plan that's available to you is provided by Lincoln Financial.

### What Does Long-Term Disability Insurance Cover?

Long-term disability insurance can cover disabilities caused by a range of injuries and medical conditions. It's important to note that your insurance carrier will also consider how your injuries or medical conditions affect your ability to work when reviewing your claim.

Some of the common reasons people are disabled beyond 90 days include:

- ✓ Cardiovascular diseases including coronary heart disease, heart attack, congenital heart disease, heart failure, and stroke
- ✓ Cancer and cancer treatment
- ✓ Brain injuries
- ✓ Burns
- ✓ Nervous system disorders such as Multiple Sclerosis, Parkinson's disease, and Epilepsy
- ✓ Mental health conditions, subject to a 24-month benefit maximum
- ✓ Musculoskeletal disorders, such as chronic neck and back pain, ruptured discs, and rheumatoid arthritis

## What Does Long-Term Disability Insurance Not Cover?

Long-time disability policies don't cover every injury or illness. Exclusions include:

- ✓ Injuries related to committing a felony
- ✓ Active participation in violence
- ✓ Intentional, self-inflicted injury
- ✓ Disabilities that begin while you're incarcerated
- ✓ War

## How Does Supplemental Disability Work?

Your supplemental disability benefits begin after you have been continuously disabled for more than 90 days. The 90-day period is called the **elimination period**. (Note: for employees of North Carolina State University who enroll in the Lincoln Financial plan, the elimination period is 60 days.)

If you believe your illness or injury will cause you to be out of work beyond the elimination period, you will need to file a claim documenting your illness or injury. The insurance carrier will:

- ✓ verify your plan enrollment,
- ✓ review your medical information, and
- ✓ confirm that your injuries or medical condition(s) cause your inability to work.

Once the review is complete, the insurance company will notify you if your claim is approved, if additional information is needed, or if your claim was declined. When your claim is approved, long-term disability insurance will pay you a percentage of your wages each month. The supplemental long-term disability benefits you receive are tax-free. If your claim is declined, you have the right to file an appeal.

## Why do I need Supplemental Disability if I have Basic STD and LTD?

- The plan pays benefits for qualifying disabilities regardless of how many years of membership service you have as a participant in ORP, TSERS or Federal Employees' Retirement System (FERS) and Civil Service Retirement System (CSRS) for University employees. Therefore, it enables you to receive benefits before you're eligible to participate in the basic disability plans.
- Enrolling in the Supplemental Disability Plan can increase your monthly disability benefits up to the lesser of 66 2/3% of your monthly salary or the plan's monthly possible maximum by supplementing whatever basic STD or basic LTD benefit you may be receiving. The maximum monthly benefit depends on the plan in which you are enrolled.

Supplemental Disability Plan – Maximum possible monthly benefit:

- \$15,000 if you are a participant in The Standard's plan, or
- \$10,000 if you are a participant in Lincoln Financial's plan

If you are not receiving any other disability or income-replacement benefits like Social Security or workers' compensation, the Supplemental Disability Plan pays you the full maximum benefit of 66 2/3% of your monthly salary, up to the maximum possible monthly benefit.