

The Monthly Income payable by the Disability Plan during continuous Total Disability will be increased each year by the lesser of the CPI for the year or 3% compounded annually, beginning with the first day of the calendar month following 18 months of such continuous disability. The combination of a Monthly Income Benefit and a Monthly Annuity Premium Benefit assures each of you who participate in the University's Disability Plan that in the event of total, long-term disability you will receive a regular monthly income and premiums will be applied on your annuity during such disability until age 65, when the disability benefits normally stop and your annuity benefits can begin. In the event of your death before age 65, the full current value of your Optional Retirement Program accumulation is paid to your beneficiary in accordance with the beneficiary options of your annuity.

| Examples | A | B | C |
|---------------------------------|----------|----------|-----------|
| Base Annual Salary | \$40,000 | \$75,000 | \$165,000 |
| Covered Monthly Salary | 3,333 | 6,250 | 13,750 |
| Monthly Income Benefit | 1,999 | 3,750 | 7,500 |
| Monthly Annuity Premium Benefit | | | |
| 1-7 years | 266 | 500 | 1,100 |
| 7-10 years | 333 | 625 | 1,375 |
| 10+ years | 433 | 812 | 1,787 |

Insurance Certificate

You will receive an insurance certificate summarizing your Group Total Disability Insurance.

Leaves of Absence

Coverage under the plan will be continued for you for a maximum of 24 months while you are on a leave of absence granted in accordance with the Trustees' policy. If you are uncertain as to whether or not a specific absence complies with the Trustees' policy for approved leave, please contact your College Human Resources Office.

Termination of Insurance

Your insurance will terminate if you cease active service (except during the first 24 months of an approved leave of absence), if you cease to be in a class of employees eligible for coverage, or if the Group Insurance Policy is terminated.

Certain part-time employees are not eligible for coverage under the plan. However, if a full-time staff member, or a covered part-time employee moves to a part-time position not meeting coverage standards, coverage will be continued during such part-time employment until the following August 31 for a member of the academic staff, or until December 31 for a member of the administrative staff.

University Status During Disability

Upon request, you are eligible for "disability leave." However, such status will not automatically extend a term appointment or temporary appointment which would otherwise expire during the period of disability.

Applications for Disability Benefits are available in your College's Human Resources Office. This form is to be completed and returned to the Human Resources Office approximately 3 months after disability begins.

Additional information and answers to your questions about this plan may be obtained through your College Human Resources Office.



Office of University-wide Human Resources
 State University Plaza
 Albany, New York 12246
www.suny.edu/benefits



The State University
 of New York

Group Long-Term Disability Insurance Program

For Professional Staff

Effective January 2012



Introduction

The purpose of this brochure is to briefly describe the State University's Group Total Disability Insurance plan for Professional Staff, which became effective on March 1, 1969 and was last amended on July 1, 2008, and to answer some of the common questions raised by staff members concerning the operation of the plan.

Relatively few disabilities last beyond six months, but of those that do, some last for 5, 10, 20, or more years. When total long-term disability strikes, the economic impact on the individual and family is usually severe. Through this program the University is able to assure each participant replacement of a substantial part of his or her income in the event of such disability.

Eligibility for Coverage

All active full-time Professional staff members will be covered under the plan on the first day of the month after one year of full-time service with State University within the past five consecutive years. The one year waiting period is waived for employees who were covered, within three months of appointment to an eligible position with State University, under a similar plan by their last employer. If you are absent from work on the day you would otherwise become insured, you will become insured on the date after you complete five full consecutive days of active work.

Certain part-time Professional staff members are eligible for coverage. These are academic employees who teach two or more courses in any one semester (excluding those deemed casual) and professional employees represented by UUP who are employed at certain salary rates (employees deemed casual are excluded) and managerial confidential employees employed at half-time or greater. If eligible for coverage, commencement of coverage is the same as stated above for full-time staff. If you have any questions concerning your eligibility for coverage, you should contact your College Human Resources Office for additional information.

The Definition of Total Disability

Disability under this program is: for the Elimination Period (6 months) and for the Normal Occupation Period (24 months), being unable due to sickness, bodily injury, or pregnancy to perform with reasonable continuity the Material Duties of your Normal Occupation and

not performing any other occupation; and for the Any Occupation Period, being unable due to sickness, bodily injury, or pregnancy to perform with reasonable continuity the Material Duties of any occupation for which you are reasonably qualified by education, training, or experience. An employee must be under the regular care of a Physician, other than him or herself, or a member of the family.

The Benefits

The plan provides the following benefits which begin on the first of the month following six consecutive months of total disability and continue during such disability until you reach age 65, or until death, whichever occurs first. However, if disability commences after the attainment of age 61, benefits are provided per the following schedule:

| Age When Disability Starts | Age or Time Limit |
|----------------------------|---|
| 61 or younger | To age 65, or 3 years 6 months, if longer |
| 62 | 3 years 6 months |
| 63 | 3 years |
| 64 | 2 years 6 months |
| 65 | 2 years |
| 66 | 1 year 9 months |
| 67 | 1 year 6 months |
| 68 | 1 year 3 months |
| 69 or older | 1 year |

- 1. A Monthly Income Benefit** equal to 60% of your covered monthly salary* not to exceed \$7,500 monthly. The Monthly Income Benefit is inclusive of any income benefits payable from Social Security and Workers' Compensation and the University's sick leave program.
- 2. A Monthly Annuity Premium Benefit** equal to a percentage of your Monthly Wage Base determined by your classification as shown:
 - › Employees who have participated in the retirement program for **at least one but less than 7 years:** **8%** of your Monthly Wage Base, less the amount of any contributions paid by your employer to the formal retirement plan for you during the period in which each Monthly Annuity Premium Benefit is credited.
 - › Employees who have participated in the retirement program for **7 years but less than 10 years:** **10%** of your Monthly Wage Base, less the amount of any contributions paid by your employer to the formal retirement plan for you during the period in which each Monthly Annuity Premium Benefit is credited.
 - › Employees who have participated in the retirement program for **10 years or more:** **13%** of your Monthly Wage Base, less the amount of any contributions paid by your employer to the formal retirement plan for you during the period in which each Monthly Annuity Premium Benefit is credited.

- › Employees who have participated in the retirement program for **7 years but less than 10 years:** **10%** of your Monthly Wage Base, less the amount of any contributions paid by your employer to the formal retirement plan for you during the period in which each Monthly Annuity Premium Benefit is credited.
- › Employees who have participated in the retirement program for **10 years or more:** **13%** of your Monthly Wage Base, less the amount of any contributions paid by your employer to the formal retirement plan for you during the period in which each Monthly Annuity Premium Benefit is credited.

The Monthly Annuity Premium Benefit may be adjusted by the Annual Benefit Adjustment.

The Monthly Annuity Premium Benefit will be credited to Teachers Insurance Annuity Association of America (TIAA) and/or College Retirement Equities Fund (CREF) Retirement Annuities or Group Annuity contract for you.

If your Monthly Earnings While Disabled are more than 20% of your Increasing Monthly Wage Base, the Monthly Annuity Premium Benefit will be adjusted.

The United States Internal Revenue Code limits contributions under your retirement plan. This policy can pay the Monthly Annuity Premium Benefit only to the extent of those limits.

Also, under IRC section 415(c)(1)(A), the before-tax contributions that can be remitted to a retirement plan are limited to \$50,000**. Monthly Annuity Premium benefits that exceed this limit are considered as taxable income and must be reported on Form W-2.

If you are participating in the University's Optional Retirement Plan at the time disability commences, the Annuity Premium Benefit will be credited as monthly premiums to your existing TIAA and CRFF contracts. If you are participating in ERS or TRS at the time disability commences, the Annuity Premium Benefit will be credited as monthly premium to a contract issued to you at the time disability benefits commence, subject to the receipt of a satisfactorily completed annuity application.

*Your covered monthly salary used to determine benefits is one-twelfth of your basic annual salary (exclusive of any additional compensation). If you have a Tax-Deferred Annuity, your salary before reduction will be used to determine your "covered monthly salary" and benefits will be computed accordingly.

**These amounts are indexed periodically under the IRC.