



Buy-Up Long Term Disability Coverage Highlights City of Garden Grove, Group Policy 643061

Long Term Disability Insurance with Plan 1 and Plan 2 Options

Standard Insurance Company has developed this document to provide you with information about City of Garden Grove’s Long Term Disability (LTD) insurance coverage for non-management employees. Written in non-technical language, it is not intended as a complete description of the coverage. If you have additional questions, please refer to your group insurance certificate or contact your human resources representative.

Since everyone’s needs are different, City of Garden Grove is making two different levels of LTD coverage available to you. Both LTD plans are designed to help protect your income in the event you are unable to work due to a covered *disability*. The first option, called Plan 1, is fully paid by City of Garden Grove. The other option, Plan 2, is paid by you and City of Garden Grove. If you are an eligible employee but choose not to enroll in Plan 2, you will automatically be insured under Plan 1.

Eligibility

To be a *member* and eligible for this coverage, you must be:

- A citizen or resident of the United States or Canada;
- A regular, full-time employee of City of Garden Grove, other than an employee represented by the Fire Union or Police Association; and
- *Actively at work* at least 30 hours each week.

Management, Temporary or seasonal employees, full-time members of the armed forces, leased employees and independent contractors are excluded from this Plan.

Employee Coverage Effective Date

The effective date of coverage depends on several factors. For your LTD insurance to become effective, you must satisfy the *active work* requirement. This means that if you are incapable of *active work* on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete 1 full day of *active work* as an eligible employee.

For more information about the effective date of coverage, refer to the Buy-up Long Term Disability insurance employee booklet or contact your human resources representative for more information.

LTD Benefit

Your monthly *LTD benefit* is the percentage of your insured monthly *predisability earnings* shown below. The benefit is reduced by *deductible income*. Please refer to your group insurance certificate for additional information regarding what is included in *predisability earnings* and *deductible income*.

	Plan 1	Plan 2
Percentage of monthly <i>predisability earnings</i>	66 2/3% of the first \$6,000	66 2/3% of the first \$9,000
Maximum monthly <i>LTD benefit</i>	\$4,000	\$6,000

Minimum Monthly Benefit (Plans 1 and 2): \$100 or 10% of your *LTD Benefit* before reduction by *deductible income*, whichever is greater

Benefit Waiting Period

If you become *disabled* and your claim for *LTD benefits* is approved by The Standard, *LTD benefits* will become payable after the *benefit waiting period*. This is a specified number of days during which you must remain continuously *disabled*. Benefits are not payable during the *benefit waiting period*. The *benefit waiting period* for each Plan is shown below.

Plan 1

90 days, or the period for which you elect to receive sick leave benefits under the City’s sick leave plan, whichever is longer

Plan 2

60 days, or the period for which you elect to receive sick leave benefits under the City’s sick leave plan, whichever is longer

Maximum Benefit Period

If an employee becomes disabled at age 61 or younger, LTD benefits may continue to age 65, or to Social Security Normal Retirement Age (SSNRA), or 3 years 6 months, whichever is longest. If an employee becomes disabled at age 62 or older, the benefit duration is determined by the age when disability begins:

Age	Maximum Benefit Period
61	To age 65, or to SSNRA, or 3 years 6 months, whichever is longer.
62	To SSNRA, or 3 years 6 months, whichever is longer
63	To SSNRA, or 3 years, whichever is longer
64	To SSNRA, or 2 years 6 months, whichever is longer
65	2 years
66	1 year 9 months
67	1 year 6 months
68	1 year 3 months
69+	1 year

Premium Rates

If you elect Plan 2, your portion of the monthly premium rate will be \$.370. Premiums will be deducted directly from your paycheck. If you do not enroll in Plan 2, you will automatically be insured under Plan 1 at no premium cost to you.

To calculate your estimated monthly premium for coverage under Plan 2, use the formula below:

1. Enter your *predisability earnings*, not to exceed \$9,000\$ _____
2. Multiply the amount on line 1 by .0031.....\$ _____
This amount is your estimated monthly premium for coverage under LTD Plan 2.

Preexisting Condition Exclusion

You are not covered for 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 12 months, and have been *actively at work* for at least one full day after the end of that 12 months. The *preexisting condition* period equals the 90 days just before the date your insurance becomes effective.

When Benefits End

LTD 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 LTD plan under which you become insured through employment during a period of *temporary recovery*
- The date you fail to provide proof of continued *disability* and entitlement to *LTD benefits*

Group Insurance Certificate

Please refer to your group insurance certificate for a detailed description of the insurance coverage. The information presented above is controlled by the *group policy* and does not modify it in any way. The controlling provisions are in the *group policy* issued by Standard Insurance Company.