



# Voluntary Short-Term Disability Insurance

for Employees of the University of Texas System

Effective September 1, 2016



**BlueCross BlueShield of Texas**



# Group disability insurance pays a percentage of your salary when you are unable to work full time because of a covered illness or injury. These benefits can be used to help pay your everyday expenses when you are without a paycheck.

## SHORT-TERM DISABILITY (STD)

All benefits-eligible, active employees may elect to enroll for voluntary short-term disability. For questions on eligibility, please refer to the Office of Employee Benefits' active employee web page or contact your institution's benefits office.

- The benefit is 60% of your weekly earnings up to a maximum of \$693 per week.
- You pay 100% of the premium for the voluntary STD.

Covering non-occupational injuries and illnesses, STD benefits will begin after you have satisfied the elimination period of 14 continuous days of injury or sickness and will continue for up to 22 weeks.

*NOTE: Benefits for disabilities caused by, or resulting from, a pre-existing condition will be limited to a maximum of 4 weeks.*

## MONTHLY PAYROLL DEDUCTIONS

The monthly premium is based on your salary. To calculate your premium cost, follow this simple formula.

Divide your annual salary by 12. Then round to the nearest whole dollar (this number is capped at 5,005). Then multiply by \$0.0028 (the rate).

The following example assumes a salary of \$50,000.

$50,000 / 12 = 4,166.67$ , rounded to the nearest whole dollar =  $4,167 \times .0028 = \$11.67$  of monthly premium

## ELIGIBILITY AND ENROLLMENT

Eligible employees may enroll for voluntary benefits. If you are eligible and you do not apply during the initial enrollment period or within 31 days of your eligibility date, you must wait until the next annual enrollment period or a qualified change in family status event to elect voluntary benefits.

We will require satisfactory evidence of insurability for applicants who did not enroll during the initial enrollment period (or when they were first eligible to do so).

## DEFINITION OF EARNINGS

Your earnings will be the greater of your earnings from UT System immediately preceding your date of disability or your earnings on September 1 immediately prior to your disability. Earnings consist of your total income before taxes, including:

- hazardous duty pay
- longevity pay
- employee contributions made through a salary reduction agreement with your employer to an IRC Section 401(k), 403(b), 501(c)(3), 457 deferred compensation plan, or any other qualified or non-qualified employee retirement plan or deferred compensation agreement
- amounts contributed to your fringe benefits according to a salary reduction arrangement under an IRC Section 125 plan

Earnings do not include:

- commissions
- bonuses
- overtime pay
- UT System's contribution on your behalf to a retirement plan or deferred compensation arrangement
- any other extra compensation

## DEFINITION OF DISABILITY

You may be totally disabled or partially disabled under this plan. Total disability means that due to sickness or injury you are continuously unable to perform the material and substantial duties of your regular occupation and your disability earnings, if any, are less than 20% of your pre-disability weekly earnings.

Partial disability means that due to sickness or injury:

1. During the elimination period you are able to perform some but not all of the material and substantial duties of your regular occupation; and



In 2019, more than **8 million** working Americans experienced a short-term disability and the majority weren't be covered under Workers' Comp.<sup>1</sup>

**1/3** of people worry about supporting themselves if they become disabled and unable to work, yet only 20% say they own disability insurance.<sup>2</sup>

2. After the elimination period, can perform some but not all of the material and substantial duties of your regular occupation and your disability earnings, if any, are between 20% and 80% of your pre-disability weekly earnings.

*Note: If you become disabled when school is not in session, disability will be based on whether or not you would be able to perform the material and substantial duties of your regular occupation if school were in session.*

#### PRE-EXISTING CONDITION EXCLUSION

Benefits may not be payable for a condition that existed before enrolling for coverage. A pre-existing condition means a condition that was caused by or results from a sickness or injury for which you received medical treatment, or advice was rendered, prescribed or recommended, whether or not the sickness was diagnosed at all or was misdiagnosed within 3 months before your effective date, and results in a disability that begins in the first 12 months after your effective date. Time enrolled with the prior carrier does count toward satisfying the pre-existing condition.

#### EFFECTS OF OTHER INCOME WHILE DISABLED

Disability insurance is designed to help you meet your financial obligations by replacing some of your lost earnings if you cannot work due to a disability. The benefit amount may be reduced by other sources of income you receive while disabled. Other income sources that will reduce your benefits under this plan are:

1. any State Teachers Retirement System
2. any Public Employees Retirement System
3. School Employees Retirement System

#### WORK INCENTIVE

This benefit provides partially disabled employees who are working with the full weekly benefit amount, not to exceed 100% of the pre-disability earnings when combined with current earnings.

#### TRIAL WORK DAYS

If you are receiving disability benefits and you return full time, the plan allows you to attempt to return to work without having to start a new elimination period. You may attempt to return to work for up to 14 days.

If you were able to return to work for more than 14 days and become disabled again, the disability will be treated as a new disability and will be subject to a new elimination period, maximum period payable, and any policy provisions in effect on the date the disability recurs.

#### EXCLUSIONS AND LIMITATIONS

The plan does not cover any loss or disability caused by, resulting from, arising out of or substantially contributed to, directly or indirectly, by any one or more of the following:

1. commission of, participation in or an attempt to commit an assault or felony
2. intentionally self-inflicted injuries
3. attempted suicide, regardless of mental capacity
4. occupational injury or sickness
5. participation in a war, declared or undeclared, or any act of war

<sup>1</sup>Council for Disability Awareness. "The State of Disability Coverage in America." [https://disabilitycanhappen.org/wp-content/uploads/2019/05/DIAM2019\\_Facts.pdf](https://disabilitycanhappen.org/wp-content/uploads/2019/05/DIAM2019_Facts.pdf). Accessed June 20, 2019. <sup>2</sup>Life Happens Pro and LIMRA. "2017 Insurance Barometer Study." <https://lifehappenspro.org/resources/2053/preview?contentonly=true&token=6598a4c4460aa9731e13a164853a563b>. Accessed June 20, 2019.

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