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Short Term Disability Insurance

CITY AND COUNTY OF DENVER

Answers to your questions about coverage from Standard Insurance Company



STANDARD INSURANCE COMPANY

About This Booklet

This booklet is designed to answer some common questions about the group Short Term Disability (STD) insurance coverage being offered by the City and County of Denver to eligible employees. It is not intended to provide a detailed description of the coverage.

If coverage becomes effective and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be in the *group policy* issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way. If you have additional questions, please contact your human resources representative.

Please note that defined terms and provisions from the *group policy* are italicized in this booklet. Features of the group STD insurance coverage may vary by state.



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Short Term Disability Insurance Features

Commonly Asked Questions

The following information provides details to give you a better understanding of group STD insurance available from The Standard. Written in non-technical language, this is not intended as a complete description of the coverage.

Am I eligible for this coverage?

To be a member and eligible for the STD insurance coverage, you must be an officer (elected and appointed) or an employee hired or rehired by the Employer after December 31, 2009, who meets the terms of eligibility outlined in D.R.M.C. § 18-123.

You are not eligible to be a member if you are:

1. A part-time employee who is regularly scheduled to work less than twenty (20) hours per week;
2. An employee of the classified service of the police and fire departments;
3. An employee in the deputy sheriff classifications;
4. An employee occupying on-call, temporary, seasonal, or contract positions, or positions in which the incumbent is paid according to the community rate schedule; or
5. A retired member of the Denver Employees Retirement Plan working less than 1,000 hours in a calendar year.

Member does not include a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

When does my insurance go into effect?

You become eligible on the first day of the calendar month coinciding with or next following the date you become a Member. Subject to the active work requirement, the effective date of your coverage is the date you become eligible.

What is the active work requirement?

Active work means performing with reasonable continuity, the *material duties* of your *own occupation* at your *employer's* usual place of business. You must be capable of *active work* on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are not *actively at work* on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete one full day of *active work* as an eligible employee.

When am I considered disabled?

During the *benefit waiting period* and to the end of the *maximum benefit period*, you are considered *disabled* if, as a result of *physical disease, injury, pregnancy or mental disorder*:

- You are unable to perform with reasonable continuity the *material duties* of your *own occupation*, and
- You suffer a loss of at least 20 percent of your *indexed predisability earnings* when working in your *own occupation*.

You are not *disabled* merely because your right to perform your *own occupation* is restricted, including a restriction or loss of license. You may work in another occupation while you are *disabled* from your *own occupation*, however, you will not be considered *disabled* when your *work earnings* from another occupation exceed 80 percent of your *predisability earnings*.

What are the plan benefits?

Benefit Amount:

Your weekly benefit is 70% of your insured *predisability earnings* reduced by *deductible income*. Please contact the Career Service Authority for information regarding what is included in *predisability earnings*.

Plan Maximum Weekly Benefit: \$1,500

Plan Minimum Weekly Benefit: \$15

Benefit Waiting Period

The benefit waiting period is the period of time that you must be continuously *disabled* before benefits become payable.

Accidental Injury: 14 days

Other disabilities: 14 days

Maximum Benefit Period

If you become *disabled*, benefits may continue during *disability* up to 24 weeks. Please note that *STD benefits* cease to be payable when LTD benefits begin.

How is the STD benefit amount calculated?

The *STD benefit* amount is determined by multiplying your insured *predisability earnings* by the specified benefit percentage. This amount is then reduced by other income you receive or are eligible to receive while *STD benefits* are payable. This other income is referred to as *deductible income*.

In the example below, the *STD benefit* amount is 70 percent of insured *predisability earnings*. If your weekly earnings (or *predisability earnings*) before becoming *disabled* were \$700 and you now receive a form of deductible income in the amount of \$50, your weekly *STD benefit* would be calculated as follows:

Insured <i>predisability earnings</i>	\$700
<i>STD benefit</i> percentage	<u>x 70%</u>
	\$490
Less deductible income benefit	<u>- 50</u>
Amount of <i>STD benefit</i>	\$ 440

What are predisability earnings?

Predisability earnings are your weekly rate of earnings from your *employer* and typically include:

- Salary
- Contributions you make through a salary reduction agreement with your *employer* to an IRC Section 401(k), 403(b), 408(k), 408(p) or 457 deferred compensation arrangement, or an executive nonqualified deferred compensation arrangement
- Amounts contributed to fringe benefits according to salary reduction agreements under an IRC Section 125 plan

Predisability earnings generally exclude commissions, bonuses, shift differential pay, overtime pay, your *employer's* contribution to a deferred compensation arrangement or pension plan or any other extra compensation. They are based on your earnings in effect on the last full day of *active work*. Please contact the Career Service Authority for additional information regarding what is included in *predisability earnings*.

What is deductible income?

Deductible income is income you receive or are eligible to receive while *STD benefits* are payable. It is used to reduce the amount of your *STD benefit*. It includes, but is not limited to, the following:

- Sick pay, annual or personal leave pay, paid time off (PTO), severance pay or other forms of salary continuation including donated amounts paid. The deductible amount of your sick pay etc. is the amount which, when added to the amount of your STD Benefit (before reduction by *deductible income*), exceeds 100% of your Predisability Earnings.
- Amounts under any unemployment compensation law, state disability income benefit law or similar law
- Disability benefits from any other insurance, including individual insurance for professionals
- Disability or retirement benefits under your *employer's* retirement plan
- Earnings from work activity while you are *disabled*, plus the earnings you could receive, if you worked as much as you are able considering your *disability*
- Earnings or compensation included in your *predisability earnings* and which you receive or are eligible to receive while *STD benefits* are payable
- Amounts due from or on behalf of a third party because of your *disability*
- Any amount you receive by compromise, judgment, settlement or other method as a result of a claim for any of the above

What is the maximum benefit period?

This is the maximum period for which *STD benefits* are payable for any one period of continuous *disability*. If you are eligible to receive benefits under any other disability plan, your *STD benefits* will end when the other disability benefits become payable, even if this occurs before the end of the *maximum benefit period* for the *STD benefits*.

When do STD benefits end?

STD 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 disability plan under which you become insured through employment during a period of *temporary recovery*
- The date long term disability (LTD) benefits become payable to you under an LTD policy sponsored by your employer
- The date you fail to provide proof of continued *disability* and entitlement to benefits

What are some of the other features of this coverage?

This STD coverage has the following features:

- If your employer makes an approved work-site modification that enables you to return to work while *disabled*, The Standard will reimburse your employer up to a pre-approved amount for some or all of the cost of the modification.
- If the *group policy* terminates, *STD benefits* will continue as long as you are eligible to receive them.

What exclusions apply to this coverage?

You are not covered for a *disability* caused or contributed to by any of the following:

- Your involvement in any employment for wage or profit
- Your committing or attempting to commit an assault or felony, or your active participation in a violent disorder or riot
- An intentionally self-inflicted *injury*, while sane
- *War* or any act of *war* (declared or undeclared, and any substantial armed conflict between organized forces of a military nature)
- The loss of your professional or occupational license or certification

What limitations apply to this coverage?

STD benefits are not payable for any period when you are:

- Not under the ongoing care of a *physician* in the appropriate specialty as determined by The Standard
- Not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by The Standard, unless your *disability* prevents you from participating
- Confined for any reason in a penal or correctional institution
- Able to work and earn at least 20 percent of your *indexed predisability earnings* in your *own occupation*, but you elect not to work

When does my STD insurance coverage end?

The STD insurance ends automatically on the earliest of the following:

- The date the last period ends for which a premium contribution was made for your insurance
- The date your employment terminates
- The date the *group policy* terminates
- The date you cease to be a *member*, however, insurance may continue for limited periods under certain circumstances as described in the *group policy*
- If applicable, the date your *employer* ceases to participate under the *group policy*

How much will the STD coverage cost?

Your Employer pays the entire cost of your insurance.

How do I apply for STD insurance coverage?

You do not need to apply for STD insurance coverage. Enrollment is automatic and coverage will be effective the first day of the month coinciding with or next following your hire date.

What if I have additional questions?

If you have any additional questions, please contact the Career Service Authority.

About Standard Insurance Company

Your *employer* has chosen Standard Insurance Company to provide group STD coverage to eligible employees. The Standard has earned a solid reputation for its quality products, superior customer service, expert resources, steady growth, innovation and strong financial performance. Founded in 1906, The Standard has developed a national presence in the employee benefits industry, providing customers with group and individual disability insurance and retirement plans, and group life and dental insurance.

Just as others count on you, you can count on The Standard for STD insurance in a time of need. Talk with your *employer's* Career Service Authority for more information about group STD insurance from The Standard.



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