

## Sample Disability Policies

*The following sample policy statements are for various types of disability policies. Generally, disability leaves are granted with pay, or with pay provided through an insurance plan, and without loss of credit for the employee's length of service with the company for short-term disability. The following samples are for illustration purposes only. The policy terms and conditions available from your insurer could be quite different from the terms set out in these policies. These policies, however, should be useful in giving you a sense of how a disability policy is structured and the types of issues you'll need to discuss with your insurer.*

### **Sample: (short-term disability)**

#### **I. POLICY**

.01 [Company name] provides a Short-Term Disability Program available to eligible full-time regular employees as approved by [company name] designed to assist those regular employees unable to work due to extended illness or disability lasting up to six months.

.02 All regular employees with more than one year of continuous service based on date of employment as a regular employee are eligible for consideration of Short-Term Disability benefits.

.03 This plan is to be integrated with [company name] Employees' Long-Term Disability Plan, which provides benefit payments to regular employees with at least one year of service, after six months of total disability.

.04 Any illness or impairment of health *verified by a certified doctor's written statement*, that requires an employee to be absent from work for *6 or more* continuous working days, qualifies the employee for consideration of benefits under the Short-Term Disability Program.

.05 Benefits are available only to an employee who is under a certified physician's care. A doctor must certify the starting, continuing, and ending dates of the employee's disability on Disability Certification Form. Payment of the employee's Short-Term Disability benefits will be delayed or denied if we are unable to certify the initiation or continuing status of the disability period.

.06 Short-Term Disability benefits must be approved before benefits are paid. The fact that an employee presents a doctor's certificate indicating an illness/disability does not in and of itself establish eligibility for Short-Term Disability benefits.

.07 [Company name] retains and reserves the right to request additional information from the employee or the employee's physician and/or to request the employee to obtain certification of the illness/disability from a physician of [company name]'s choice at [company name]'s expense, *prior to* granting approval of Short-Term Disability benefits under this program.

.08 Benefits under this program must be requested by the employee through [name of person who receives requests] and approved by [name of person who approves requests].

.09 [Company name] may place employees on a medical leave of absence without pay if doubt exists as to the bona fide nature of the illness/disability or if additional medical information is required to substantiate the claim. When additional medical information is requested, employees remain on medical leave of absence without pay until the illness/disability is certified and an effective date obtained based on the additional information from the employee's physician or a physician of [company name]'s choice.

.10 Reconfirmation of disability or long-term illness by the patient's physician will be required by [company name] every two weeks unless a physician is able to project at the outset a total period of disability. These recertifications may be subject to review by a physician called in at the company option and expense.

.11 Short-Term disability benefits start on the date of the doctor's certificate or the first day of the disability period as indicated by the effective date of the doctor's certificate, whichever is earlier.

.12 Maximum benefits under the Short-Term Disability Program are 130 working days at full pay or a combination of full and half pay totalling 130 working days, after which time a determination may be made regarding an employee's eligibility for company-paid Long-Term Disability benefits. Short-Term Disability benefits are paid in accordance with the following schedule:

<i>Length of Employment as a Regular Employee</i>	<i>Amount of Benefit</i>
1-2 years	20 days at full pay followed by 20 days at half pay
3 years	30 days at full pay followed by 30 days at half pay
4 years	40 days at full pay followed by 40 days at half pay
5 years	50 days at full pay followed by 50 days at half pay
6 years	60 days at full pay followed by 60 days at half pay
7 years	70 days at full pay followed by 60 days at half pay
8 years	80 days at full pay followed by 50 days at half pay
9 years	90 days at full pay followed by 40 days at half pay
10 years	100 days at full pay followed by 30 days at half pay
11 years	110 days at full pay followed by 20 days at half pay
12 years	120 days at full pay followed by 10 days at half pay
13 years or more (Maximum benefit)	130 days (six months) at full pay

.13 The basis for calculation of an account representative's or other incentive compensation employee's benefits is either:

- a. 80% of the total income of the prior 24 months divided by 52 bi-weekly periods (or, if newly eligible, the prior 12 months divided by 26) to determine the average bi-weekly paycheck; or
- b. 100% of the true total annual earnings divided by 26 to determine the bi-weekly paycheck, whichever is greater. These employees will be paid Short-Term Disability benefits based on the schedule in .12 above. Commission payments cease while the incentive compensation employee is paid Short-Term Disability benefits.

.14 Regular employees are eligible for the different amounts as stated above according to length of service on their anniversary date. If an anniversary date occurs while an employee is receiving Short-

Term Disability benefits, he/she will be eligible for the greater amount of coverage, as outlined in the chart in .12 above.

.15 At the end of six months of continuous disability, an assessment will be made to see if the employee qualifies for disability benefits under the [company name] Long-Term Disability Plan. If at that time, the employee cannot be certified disabled by the Long-Term Disability Plan Administrator, his or her employment may be terminated with the option for rehire when the employee's health allows. If it becomes clear that the employee's return to work is imminent, after paid Short-Term Disability benefits lapse, a leave of absence without pay may be authorized by [name of person or persons who authorizes leaves of absence].

.16 [Company name] bases disability payments on an incident of disability, rather than on a calendar-year basis. A period of disability begun in one year could extend into the following year.

.17 When the employee returns to work following a period of extended disability or illness and has subsequent absences related to the original disability within 30 calendar days of the return to work, those absences will be considered part of the original disability period.

.18 Pregnancy is treated the same as is any other illness under the Short-Term Disability Program. Commencement of short-Term disability benefits for a maternity leave must be based on actual disability of the individual, not the mere fact of pregnancy.

.19 If the request for Medical Leave is determined by [name of person who grants leave requests] to be unwarranted, the employee will be notified of the denial of the request. If the employee is not actively at work at this time, his/her failure to return immediately will be considered a resignation.

.20 If false claims for Short-Term Disability benefits are discovered at any time, or if an employee fails to report to work on the first regularly scheduled workday following absence under the Short-Term Disability Program, he/she will be subject to disciplinary action up to and including termination of employment.

.21 Employees receiving benefits under the [company name]'s Short-Term Disability Program will be eligible to continue participation in the [company name] Comprehensive Health and Life Insurance plans and continue to accrue service for purposes of the [name of the company retirement plan, if applicable] in accordance with plan provisions.

.22 *[Only if applicable]* In states where employees are required to maintain disability insurance (California, Hawaii, New Jersey, New York, Rhode Island and Puerto Rico), [company name] will coordinate benefits available under this program with those available under state-mandated programs.

.23 Under no circumstances will the combined benefits from a State Disability Plan or the Short-Term Disability program exceed the salary of the employee.

.24 The company may require periodic verification of an employee's inability or ability to work (including, for example, examination by a doctor designated by the company).

.25 Company policy provides that an employee's position may be filled while on a leave if this is necessary in order to meet business requirements. If this occurs, upon conclusion of the medical leave, every reasonable effort will be made to return the employee to the position formerly held or to one of similar responsibility and salary level.

.26 Exceptions to this policy will be determined by [name of person who determines benefits policies].

## **II. RESPONSIBILITIES**

.01 The employee is responsible for completing his/her section of the Disability Certification Form and for obtaining the necessary information from the attending physician or a physician of [company name]'s choice, who must certify the nature, extent of illness or injury and projected duration of the employee's disability on the Disability Certification Form.

.02 [Name of person responsible for monitoring disability-related claims] is responsible for monitoring an employee's eligibility for the Short-Term Disability Program.

- .03 [Name of person responsible for calculating benefits] is responsible for the calculation of benefits under the Short-Term Disability program.
- .04 [Name of person responsible for coordinating workers' comp benefits] is responsible for coordinating the benefits under this program with benefits available under Workers' Compensation or State Disability Programs, where applicable.
- .05 [Name of person responsible for status-related issues] is responsible for initiating the appropriate Personnel Status Change form for any employee who becomes eligible for the Short-Term Disability Program and for obtaining approval of the change.
- .06 [Name of person responsible for approving payments] is responsible for approving payment of benefits under this policy.
- .07 [Name of person responsible for overseeing disability benefits] is responsible for monitoring the Short-Term Disability Program and for coordinating with physicians.
- .08 Employee is responsible for submitting copies of all check stubs and documentation of payments of all State Disability benefits to [name of person to whom documents are to be delivered] within five (5) days of receipt of last payment.
- .09 [Name of person responsible for payments] is responsible for the payment of Short-Term Disability benefits.

### **III. PROCEDURES**

**Note:** *Your procedures may be much simpler. If so, modify the following to reflect your circumstances.*

- .01 Employee obtains physician's statement (Disability Certification Form), certifying nature, extent and duration of illness/disability and forwards it to [person to whom the statement should be delivered].
- .02 [Person who reviews the documents] reviews documentation and [person who oversees leave policies, if different from reviewer] regarding leave period. [Person who oversees pay and benefits] may request additional information or request [company name]'s physician to confirm illness/disability before final approval.
- .03 [Person who oversees pay and benefits] initiates Status Change Form authorizing Short-Term Disability benefits, obtains [name of person who must sign it]'s signature on it.
- .04 [Person who handles payroll] adjusts casual illness absence or vacation balance, if necessary, and disburses a check consisting of full or partial pay for the portion of the certified period of disability, during which the employee is entitled to benefits.
- .05 *[Only if applicable]* In states where [company name] employees are required to maintain disability insurance (California, New Jersey, Hawaii, Puerto Rico, New York, and Rhode Island), [company name] will coordinate the benefits available under this plan with those available under state-mandated programs, as well as with Workers' Compensation.
- .06 [Person who handles employee issues] estimates the benefit amount employee is expected to receive from State Disability (where applicable) during the period of an approved medical leave.
- .07 [Person who handles payroll] will deduct the amount of the benefit from Short-Term Disability benefits paid during the period of the leave.
- .08 [Person who handles employee issues] ends Short-Term Disability benefits when employee's illness/disability terminates.

### ***Sample 2: Long-Term disability plan—Summary plan description***

#### **Introduction**

If you are unable to work due to illness or accidental injury that lasts longer than 180 consecutive days,

you may be entitled to benefits under the [company name] Long-Term Disability (LTD) Plan.

Established \_\_\_\_\_, 19\_\_\_\_\_, the Plan covers eligible employees of [company name].

In a nutshell: Qualifying employees who are totally disabled receive a benefit equal to 60% of basic monthly compensation as defined in the Plan. Benefits may continue for up to 24 months if you are certified totally disabled and are unable to perform the duties of your regular job. Benefits may continue for longer than 24 months if you continue to be certified disabled and are unable to do any work consistent with your education and training.

This is a summary plan description. These regulations require that the rights, benefits, and limitations of a welfare plan be explained in ordinary, nontechnical language capable of being understood by the average plan participant. This is, by its nature, a summary. If there is any conflict between this summary and the complete Plan and related trust agreement, the provisions of the Plan document and trust agreement will be controlling.

Copies of the LTD Plan document are available from [name of person who keeps the LTD policy, if this is applicable].

## Definitions

**Active work, Actively at work, Active employment.** A Plan participant's attendance in person at his or her usual and customary place of work, acting in the full-time performance of the duties of his or her occupation for wages or profit. This includes company-authorized vacation or personal leave.

**Claims administrator.** The organization or person who is at any particular time processing claims for benefits and fulfilling other specified duties of the Claims Administrator under the Plan.

**Participant.** Any employee becoming covered under the terms and provisions of the Plan. Each active employee of [company name] who has completed one year of service and who is a participant in [company name]'s pension plan. For [company name], the term includes all active, regular employees who have completed one year of service and are participants in [company name]'s pension plan, and all full-time hourly and part-time hourly employees who have 10 years' service in [company name]'s pension plan.

**Employee.** Each active employee of an employer, including, in the case of [company name], all active full-time hourly and part-time hourly employees.

**Employer.** [Company name].

**First day of long-Term disability.** The first day after a 180-consecutive-day period in which the Participant is unable to perform the material duties of his or her occupation solely because of sickness or accidental injury.

**First day of total disability.** The first day on which the Participant is unable to perform the material duties of his or her occupation solely because of sickness or accidental injury.

**Physician.** Any person (other than the Participant or his spouse, child, brother, sister, or parent, or the child, brother, sister, or parent of the Participant's spouse) who is licensed by the law of the state in which treatment is received as qualified to treat the sickness or injury for which claim is made under the Plan.

**Plan.** [Company name]'s Long-Term Disability Plan.

**Plan administrator.** [Name of plan administrator]

**Qualifying period.** The 180-consecutive-day period during which a participant is totally disabled, commencing on the first day on which he or she is totally disabled. To be eligible to receive Plan benefits, a participant must satisfy the entire qualifying period and be determined to be totally disabled under the terms of the Plan.

**Rehabilitation program.** A program to help any participant return to active, permanent work.

**Total disability.** An employee is considered totally disabled when he or she is unable to perform the

material duties of his or her occupation solely because of sickness or accidental injury.

**Trust.** The [company name] Employee Benefit Trust that has been established to fund the benefits under the Plan.

**Trust assets.** The total of all assets of every kind or nature, both principal and income, at any time and from time to time held in the trust.

**Trustee.** The corporation and/or individual or individuals who from time to time is or are the duly appointed and acting trustee or trustees of the trust.

## Participation

**Eligibility.** Active employees of [company name] are eligible to participate in the Long-Term Disability Plan once they have completed one full year of service and have satisfied the requirements for participation in the [company name] Consolidated Pension Plan (completion of 1,000 hours of employment in a 12-month period marked by anniversaries of your date of hire).

In the case of [company name] full-time hourly and part-time hourly employees, participation in the LTD Plan is available once you complete 10 years of qualifying service.

LTD benefits are not available to retirees.

**Commencement of participation.** Participation begins on the date you satisfy the eligibility requirements. If you are absent from work for any reason other than approved personal leave or vacation on the date on which you become eligible, you become a participant on the date on which you return to active work.

**Termination of participation.** Participation in the Plan ends when one of the following occurs:

- You are no longer an active, regular employee of a participating employer.
- The Plan is terminated (regardless of whether or not you are disabled).
- You retire under the [company name] Consolidated Pension Plan.

**Disclaimer of employment obligation.** Participation in the Plan does not limit [company name]'s right to discharge any participant from employment, nor does it give any employee the right to continued employment.

## Entitlement to benefits

To qualify for LTD benefits, you must be totally disabled for a 180-consecutive-day period, you must be under the regular care and treatment of a licensed physician and you must be certified disabled by [administrator's name], based on conclusive medical evidence. You must also have applied for Social Security disability benefits and for any benefits available to you through other disability programs, including those available through the state in which you reside.

**Total disability and the qualifying period.** You are considered totally disabled when you are unable to perform the material duties of your occupation solely due to sickness or accidental injury.

To qualify for Plan benefits, you must be totally disabled for a 180-consecutive-day period. During that time, you may qualify for benefits under [company name]'s salary continuation/short-term disability program. Even in cases where short-term benefits are, you could be entitled to LTD benefits if your disability is continuous for 180 consecutive days.

**Recurrent and successive disability during the qualifying period.** All days from the onset of disability on which you cannot work will be considered to be "continuous" and "consecutive" days of disability if they are from the same cause, unless you are able to return to work for a period of 30 days or more during the qualifying period.

**Unrelated disability.** If during your initial total disability qualifying period you incur an unrelated total disability while you are unable to work, you may aggregate your periods of total disability for purposes of satisfying the 180-day qualifying period.

**Recurrent and successive disability after the qualifying period.** If you return to work following a period of long-term disability and become disabled due to the same or related problems within six months following your return to work, you will not be required to complete an additional qualifying period.

**Long-Term disability.** As used in the Plan, the term “long-term disability” has two definitions:

1. In the first 24 months of Plan payments, “long-term disability” means your inability to perform the material duties of your regular job solely because of sickness or accidental injury.
2. After the first 24 months of Plan payments, except as described on page 17, “long-term disability” means your inability to engage in ANY occupation for which you are qualified or could reasonably become qualified based on your education, training and experience.

**Limitations.** Long-term disability benefits are not paid for disabilities resulting from

- intentionally self-inflicted injuries
- participation in a felony or as a result of such participation
- services in the armed forces of any country

**Claims administration.** Claims Administration under the Plan is handled by [name of claims administrator].

As Claims Administrator, [name of claims administrator] has been delegated the authority to approve or deny claims for long-term disability benefits, based on medical documentation. Forms for this purpose are provided to disabled employees.

[Name of claims administrator] will also advise on LTD appeals.

**Claims for benefits.** Claims for long-term disability benefits are made on forms provided by [name of claims administrator].

These forms are forwarded to you automatically when your disability lasts longer than three and a half months if the Claims Administrator feels, based on a review of existing medical documentation, that your disability is likely to last longer than 180 days.

**Conclusive medical evidence.** To qualify for benefits under the Plan, total disability must be supported by current medical documentation. A claimant must be in the continuous care of a qualified physician under a course of treatment appropriate for the disability.

A claimant may be asked to undergo a medical examination by a physician designated by the Claims Administrator. For example, if a claimant's doctor cannot substantiate a finding of total disability with objective evidence, an independent evaluation may be required.

When a claimant cannot or will not provide conclusive medical evidence of total disability, LTD benefits will be denied or discontinued.

**Ongoing certification of disability.** Continuation of LTD benefit payments will require ongoing certification of disability based on updated medical documentation. Frequency of claim review is determined by the Claims Administrator.

**Application for Social Security benefits.** Except in cases where return to work will occur soon after the 180-day qualifying period, all claimants for LTD benefits must apply for Social Security benefits.

Long-Term disability benefits are offset by benefits available from Social Security. However, these projected benefits are not offset against your monthly benefit until you actually receive a Social Security award.

When a participant receives the award which pays retroactively for the period during which he or she was eligible to receive Social Security benefits, the participant turns over those amounts to the Plan as repayment for benefits previously advanced. Participants are required to sign an agreement to this effect as a condition of receiving benefits under the Plan.

**Application for state disability benefits.** If you live in a state that maintains a disability program to

which you and/or your employer are making contributions, please contact [name of person who handles benefits] for information on how to file for these benefits.

## Calculation of benefits

**Benefit amount.** The long-term disability benefit is 60% of base monthly compensation minus other disability income (see below), with base monthly compensation defined in the Plan as follows:

- **for salaried employees:** the average monthly earnings (base salary, bonuses and overtime, but excluding awards and special payments) for the last 12 months of full pay immediately preceding the first date of disability (the first day of the 180-day qualifying period).
- **for commissioned sales representatives:** the average monthly amount of commissions attributed to the 24 months immediately preceding the first day of total disability. (For reps with less than two full years of commissions, benefit is based on the average of the total number of months on commission.)
- **for employees paid on the basis of salary plus commission:** the sum of the above

(Any salary or earnings rate not determined on a monthly basis is determined using your normal monthly scheduled hours (exclusive of overtime) in effect on the day preceding the first day of total disability.)

**Minimum/maximum benefit.** The minimum Plan benefit is \$50 per month.

There is no maximum dollar amount of benefit that you may receive under the LTD Plan's formula for calculation of benefits.

**Offsets for other income.** Long-term disability payments are reduced by any disability and/or income you are receiving including:

- any benefits you are eligible to receive as regular salary, commission, bonus, special payments, sick leave, vacation pay, or under any salary continuation plan
- primary Social Security benefits
- benefits you are eligible to receive under the Public Employees Retirement Law, the Railroad Retirement Act, or any other federal, state, county, or municipal retirement act or law
- any employer retirement benefits
- any benefits you are entitled to receive under other government- or [company name]-sponsored disability or income or retirement plans
- any benefits you are eligible to receive under worker's compensation or similar legislation
- any wages attributable to the period for which benefits are being paid under the Plan, whether or not received from \_\_\_\_\_
- any benefits you are eligible to receive under any plan or provision providing periodic payments for disability or providing benefits for loss of time or income

For example: Suppose your average monthly earnings are determined to be \$2,000. Your LTD benefit would be 60% of that \$2,000, or \$1,200. Now, assume that you also receive \$350 monthly from Social Security. Your LTD benefit would be \$1,200 minus \$350, or \$850.

**Increases in other income.** Your monthly LTD payment is not recalculated if your "other income" (as described above) is increased due to scheduled or legislated increases under the Federal Social Security Act, workers' compensation, or similar legislation after you have received your first Plan payment. However, if retirement or disability benefits you receive under another program increase because you are disabled, your monthly LTD benefit will be reduced by the amount of the increase attributable to your total disability. In addition, if your primary Social Security benefit is increased because of a recalculation of your earnings (including earnings in the year you become disabled), your LTD benefit will be reduced by the amount of that increase.

**Partial monthly benefit.** For any partial month of disability (generally the first or the last month in your disability period), you will receive one-thirtieth of your monthly benefit for each day on which you are



totally disabled during the month. If you qualify only for the minimum benefit, this too will be calculated on a daily basis for partial months.

**Vacation.** You may at any time elect to take the vacation time remaining in your first year of disability and, thereby, receive full pay for those days instead of the 60% LTD daily benefit. In computing your monthly benefit for such months, days on which you take earned vacation will be subtracted from the number of days for which you are eligible for LTD benefits. If you take a full month of vacation, the minimum LTD benefit will not be payable.

## **Payment of benefits**

**Monthly payments.** Payments of long-term disability benefits commence on the first day of the month following the first day of Long-Term Disability.

Thereafter, payments are made on the first of each month to cover all or part of the preceding month during which you are certified disabled.

**Funding.** LTD benefits are paid from the assets of the [company name] Employee Benefits Trust. The Trustee is [name of trustee]. It is the intent of [company name] to prefund the Trust at the end of each year, projecting the Plan's financial needs based on recommendations of independent consultants.

## **Termination of benefits**

With the exception of mental or nervous disorders, alcoholism or drug abuse, when all Plan conditions are met, LTD benefits continue for up to 24 months if you are unable to perform the material duties of your regular job. They could continue longer if you are unable to engage in any occupation for which you are qualified or could reasonably become qualified based on your education, training and experience. And they could continue in modified fashion if you engage in an approved program of rehabilitative employment.

**Conditions for benefit termination.** The foregoing rules notwithstanding, Plan benefits will be discontinued upon any of the following:

- your recovery from total disability
- your failure to remain under the regular care and treatment of a qualified physician
- your return to work, except with respect to a rehabilitative program
- your inability or unwillingness to provide complete medical evidence of your total disability
- the expiration of the payment period is determined under the following schedule:

### *Participant's Age at Total Disability*

### *Benefit Payment Period*

Less than 62 .....	Up to 65th Birthday
62 but less than 63 .....	36 months
63 but less than 64 .....	24 months
64 and older .....	12 months

**Special circumstances.** Payment of LTD benefits is limited to a maximum of 24 months if the disability results from:

- mental or nervous disorders
- alcoholism or drug abuse
- addiction to or abuse of drugs or other substances including, but not limited to, substances identified by federal or state authorities as controlled substances

## **Retirement benefits**

If you have completed 10 qualifying years of service in the [company name] Consolidated Pension Plan, you continue to accrue years of service for pension calculation purposes for the period of time during which you are receiving LTD benefits.

Additionally, if you are vested, you may decide to retire any time after age 55. If you retire, your disability benefits will stop and you will begin receiving your pension in any of the optional forms of payment provided under the pension plan.

## **Rehabilitative employment**

The Plan also provides for a program designed to help you return to active, permanent work. However, such a program must be approved by [name of person who will approve rehab program] and your doctor. Rehabilitation programs may include training, physical therapy, or, where possible, part-time work in your old job or a new job.

You will be considered to be engaged in a rehabilitative program if the following conditions are met:

- You are totally disabled.
- The rehabilitative plan or program you are participating in is approved by a physician and [name of person who approves rehab].

Your rehabilitative employment status will be reviewed at least every three months, unless your work duties change or you request a review.

While you are in a period of rehabilitative employment, your monthly LTD benefit is offset by two-thirds of your rehabilitation earnings. Your total income for that period, then, is:

- your rehabilitation income, plus
- the excess of your monthly LTD benefit from the Plan if your LTD amount was larger than two-thirds of your rehabilitation income (otherwise, a minimum Plan benefit of \$50)

Suppose, for example, that your monthly earnings prior to disability were \$2,000. Your LTD benefit is 60%, or \$1,200. You engage in rehabilitative employment and earn \$1,500 a month. Here's what you receive for those months:

- rehabilitation earnings: \$1,500
- excess monthly LTD benefit:  $\$1,200 - (2/3 \times \$1,500) = \$200$

Your total earnings for that period of time would be \$1,700, of which \$1,500 would come from earnings and \$200 would come from the LTD Plan.

## **Appealing benefit determinations**

If you disagree with a decision regarding the benefits to which you are entitled under the Plan, you have 60 days in which to file a written appeal with the Claim Administrator. Within 90 days, your claim will be reviewed and you will receive a written decision regarding your appeal. This 90-day period may be extended for an additional 90 days if circumstances warrant such an extension.

If your claim is denied, in whole or in part, you will receive all of the following:

- written notification of the reason(s) for the denial
- a reference to the Plan provision(s) which is the basis for the denial
- a description of what you need if you choose to file an amended claim
- an explanation of why that information is needed
- an explanation of the Plan's claim procedure

You will then have 60 days after receiving the decision to file a written notice to request review of that decision by [name of person who will review decisions]. Within 60 days of your written request, you will receive, in writing, notification of [name of person who will review decisions]'s decision.

## Plan administration

The [company name] Long-Term Disability Plan is administered by [administrator's name].

[Administrator's name] has authority to make rules and regulations necessary for the administration of the Plan, to construe and interpret the Plan and to make sure that all Participants are treated uniformly and equitably.

[Administrator's name] is empowered to delegate responsibility for Plan administration, including the appointment of a Claim Administrator to advise on eligibility for participation, eligibility for benefits, amount of benefits, etc.

Day-to-day responsibility for the administration of the Plan has been delegated to [administrator's name], who works closely with [name of person who oversees benefits].

## Plan amendment and termination

**Plan amendment.** The LTD Plan may be amended at any time with the consent of [company name].

**Plan termination.** While it is the intent of [company name] to continue this Plan indefinitely, [company name] does reserve the right to terminate the Plan at any time.

If the Plan is terminated, and if you are totally disabled on the effective date of the Plan termination and are otherwise entitled to benefits under the Plan, you will continue to receive those benefits in accordance with Plan provisions. However, benefits will stop if any of the following:

- you cease to be totally disabled
- you return to work for a period of at least six consecutive months in any capacity other than in rehabilitative employment
- you return to work for any period of time and become totally disabled from a cause unrelated to the total disability for which you were receiving benefits

## Miscellaneous information required by the Employee Retirement Income Security Act of 1974 (ERISA)

We are required by law to furnish you with the following additional items of information regarding the Plan.

**Formal Plan Name:** [company name] Long-Term Disability Plan

**Identification Number assigned to [company name] by the Internal Revenue Service:** XX-XXXXXXX

**Department of Labor Plan Number:** XXX

**Type of Plan:** Long-term disability plan

**Plan Year End:** \_\_\_\_\_

**Plan Sponsor and Address:** \_\_\_\_\_

**Plan Administrator:** \_\_\_\_\_

**Agent for Service of Legal Process:** \_\_\_\_\_

**Plan Trustee and Address:** \_\_\_\_\_