

# CIGNA'S LONG-TERM DISABILITY PLAN

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THE TEXAS A&M  
UNIVERSITY SYSTEM

# Introduction

*The Texas A&M University System offers a Long-Term Disability plan to protect your income in case an extended disability prevents you from working.*

Your group health pays most of your medical bills if you become seriously ill or injured. But how will you pay your everyday expenses if you are not able to work for an extended period?

You will continue to be paid as long as you are on sick leave and vacation. Then you may be able to receive additional days of full pay from the sick leave pool. But, if your sickness or injury is severe, these plans may stop paying benefits before you can return to work.

To ensure financial security for you and your family during an extended disability, The Texas A&M University System offers a Long-Term Disability (LTD) plan. It is designed to be a source of income if you are unable to work due to disability.

This booklet provides a summary of your LTD plan provisions. Most of your questions can be answered by referring to this booklet.

This booklet does not contain every detail about your plan. All details are included in the contract between The Texas A&M University System and Cigna. The contract is the final word on all plan provisions. In case of any discrepancy between this booklet and the contract, the contract will govern.

This booklet is neither a contract of current or future employment nor a guarantee of payment of benefits. The A&M System reserves the right to change or end the benefits described in this booklet at any time for any reason.

Clerical or enrollment errors do not obligate the plan to pay benefits. Errors, when discovered, will be corrected according to the provisions of the plan contract and published procedures of the A&M System.

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# Participation

*All full-time and some part-time employees are eligible for LTD coverage.*

You are eligible to participate in the LTD plan if:

- You work at least 20-hours a week, and
- Your appointment is expected to continue for a term of at least 4½ months, and
- You are eligible to participate in the Teacher Retirement System of Texas (TRS) or Optional Retirement Program (ORP)
- You are also eligible if you are a graduate student employee who works at least 50% time for at least 4½ months.

Eligibility for this plan is subject to change by the A&M System or the Texas Legislature.

## Enrolling in the Plan

Your coverage can take effect either on your hire date or on your state contribution eligibility date (the first of the month after your 60th day of employment) if you enroll before, on, or within seven days of your hire date. If you enroll beyond the seventh day of your hire date, but during your first 60-days of employment, your coverage can take effect either on the first of the following month or on your state contribution eligibility date.

You must be actively at work on the day your coverage is to begin. If you are not, coverage will be delayed until the day after you return to work. This plan limits benefits due to preexisting conditions during the first 12-months of coverage (see “section”).

## Changing your Coverage

You can enroll in LTD coverage during your first 60-days of employment or during Open Enrollment. In some cases you may add coverage if you qualify with a Life Event.

Adding LTD coverage must be consistent with the change in status. A Life Event includes:

- Employee’s marriage or divorce, or death of employee’s spouse,
- Birth, adoption or death of a dependent child,
- Changes in the employee’s, spouse’s or a dependent child’s employment status that affects benefit eligibility,

*Coverage can begin on your first day of work. Participation is voluntary.*

- Changes made by a spouse, during his/her annual enrollment period with another employer,
- The employee, or spouse becoming eligible or ineligible for Medicare or Medicaid, or
- Significant employer-or carrier-initiated changes in or cancellation of the employee’s, spouse’s or dependent child’s coverage.

You can drop coverage with any qualified Life Event; however, you cannot re-enroll until the following annual enrollment period.

## Reduction in Hours

If your work hours are reduced to between 50% and 99% time, you may keep the same level of benefits as you had before the reduction. Should you prefer to have your benefits and premiums reduced, contact your Human Resources office.

## Leave of Absence

If you take a paid leave of absence, your coverage will continue and premiums will continue to be deducted from your pay. However, if you take an unpaid leave, you must make arrangements to continue your premium payments or to cancel your coverage. If you continue your coverage, the coverage amount and premium will be the same as before your leave. If you decide to discontinue your LTD coverage, your coverage will be reinstated without evidence of insurability when you return, regardless of the plan year. However, the pre-existing condition exclusion (see “Pre-Existing Conditions”) will apply. You have 60-days after your return to make enrollment changes.

If you discontinue your coverage while on an unpaid leave under the Family and Medical Leave Act, your coverage will be reinstated without evidence of insurability or pre-existing condition exclusions when you return from leave. However, if you are within your first year of plan participation, pre-existing condition exclusions will still apply, as explained in “Pre-existing Conditions”.

# Coverage Cost

*You pay the cost for this optional coverage. The cost is based on your pay and whether you use tobacco products.*

Each month, you pay for Long-Term Disability insurance if you choose to buy coverage. If you waive A&M System health coverage but certify that you have other health insurance, you may apply part of the state contribution toward your LTD coverage.

If your coverage begins in the middle of a month, you must pay your full premium for the month. You do not pay premiums while you are disabled (as defined in “Disability”) and receiving benefits. However, the plan has a 90-day waiting period before it will pay benefits and premiums are due during the 90-day waiting period (See “Waiting Period”).

## Coverage Cost

The cost of your coverage is based on your pay and whether you use tobacco products. You are considered a tobacco user if you have used any tobacco products in the last three months. This includes chewing tobacco as well as smoking products. You can change your tobacco-user category at any time.

If your pay increases during the year (other than on September 1), your coverage amount will increase immediately and your premiums will increase the following September 1.

## Taxation

If you pay the full LTD premium, your LTD benefits will not be taxable when you receive them. If you apply the state contribution to your premium, your benefit will be taxable.

# When You Qualify For Benefits

*You pay the cost for this optional coverage. The cost is based on your pay and whether you use tobacco products.*

In this plan, long-term disability means a disability that lasts 90 days or longer. If a disability lasts less than 90 days, you may be eligible for sick leave, vacation and sick leave pool benefits. Long-term disability (LTD) benefits can begin after you have been disabled for 90 days.

## Disability

You are considered disabled if you are unable to perform one or more of the essential duties of your job due to sickness or injury and you are earning 80% or less of the amount (adjusted for inflation) you were earning before you became disabled due to that sickness or injury. This definition of disability applies during the 90-day waiting period and the next 60 months of disability.

You are still considered disabled after this period if you cannot perform one or more of the essential duties of any gainful occupation for which you are reasonably qualified by training, education or experience.

A gainful occupation is one that can be expected to provide you an income of at least 65% of your pre-disability income, adjusted for inflation, up to a maximum of \$8,000, within 12 months of your return to work.

Disability may be caused by pregnancy, injury, substance abuse or mental or physical illness. However, benefits for non-organic mental disabilities will be paid for a maximum of 24 months (see “[Benefits for Mental Disability](#)”).

If you work in a rehabilitative job due to a disability, you will be considered disabled if you meet the definition of disability described in this section.

## Physician Care Required

No benefit will be paid for any day on which you are not under the care of a legally licensed physician.

## Proof of Disability

To qualify for benefits, you must provide, at your expense, proof of your disability from a licensed physician. The certifying physician may not be you or your spouse, child, parent, sister or brother. Cigna may require certification from a licensed physician approved or selected by Cigna and may request additional information as well.

After your disability payments begin, you may be asked to periodically provide evidence of your continued disability and continuing treatment by a licensed physician.

## Waiting Period

Benefits will begin after you have been disabled for 90 consecutive days. The 90-day waiting period will begin on the date Cigna determines that your disability began. During this 90-day period, you may use sick leave, vacation and, if approved, sick leave pool to continue your income for as long as possible.

## Interruption of Disability

If your disability ends and then resumes during the waiting period, the days of disability before and after the period(s) of no disability will count toward the 90-day waiting period. The days on which you were not disabled will not count toward the waiting period.

For example, if you become disabled and are unable to work for 40 days, then return to work for 10 days, and again become and remain disabled from the same cause, you will be able to begin receiving benefits 100 days after you first became disabled (90-day waiting period plus the 10 days you returned to work).

In most cases, recurrent periods of disability are considered one period if:

- they are due to the same or a related cause,
- your coverage continued from the date the first period ended until the second period began,

- the periods are separated by less than six months of active full-time work during which you have performed all of the material duties of any occupation, and
- you are not covered by another group long-term disability plan and entitled to payments from that plan.

As long as a disability is considered one period, only one 90-day waiting period must be satisfied. For example, if you were disabled for a year and then returned to work for two months and again became disabled from the same cause, you could qualify for benefits immediately. However, if you had returned to work for six months or more, you would have to wait another 90 days before LTD payments would begin again.

### **Workplace Modification**

If a covered injury or illness makes it difficult for you to perform the essential duties of your regular occupation, the LTD plan may pay the A&M System up to one times your monthly LTD benefit to make changes to your worksite to help you return to work. Modifications must be approved in advance by Cigna. Cigna may require that you are examined or evaluated by a health care professional or vocational or rehabilitation expert of Cigna's choice to evaluate the appropriateness of any proposed modification.

### **When Benefits are not Payable**

You will not be eligible to receive LTD benefits if your disability is a result of:

- a pre-existing condition (see description below),
- declared or undeclared war or any act of war,
- intentionally self-inflicted injuries, or commission or attempted commission of a felony or participation in an illegal occupation.

### **Pre-Existing Conditions**

A pre-existing condition is a sickness or injury for which you receive medical treatment, consultation, care or services (including diagnostic measures) or take prescribed drugs or medicines during the 90 days before your LTD coverage begins.

The plan will not cover any disability caused by, contributed to by or resulting from a pre-existing condition unless the disability begins after you have been covered under the plan for 12 months.

In determining whether a disability is due to a pre-existing condition, Cigna will credit you for any time you were insured under the prior plan. If your disability is due to a pre-existing condition as described in this plan, but would not have been due to a pre-existing condition under the prior plan, Cigna will pay a benefit equal to the lesser of:

- The benefit amount under this plan; or
- The disability income insurance benefit that would have been payable to you under the prior plan.

If your disability would have been due to a pre-existing condition under the prior plan, it will be treated as having been caused by a pre-existing condition under this plan.



# How Your Benefit is Calculated

*If you are disabled, you will receive from the plan and other sources a combined benefit equal to 65% of your pay. The maximum benefit from all sources combined is \$8,000 per month.*

The long-term disability plan is designed to provide income to help meet your everyday expenses should you become disabled. To do this, the plan works with other benefits you receive to provide 65% of your annual pre-disability income of up to \$147,692.

## Your Full LTD Benefit

If you are disabled and are either unable to work or able to work but earn less than 20% of your pre-disability pay, you will receive a full LTD benefit.

To determine your full LTD benefit, other sources of disability income are considered. Your LTD benefit together with these other benefits provides you 65% of your monthly pre-disability pay up to a maximum benefit from all sources of \$8,000 a month. Regardless of your other benefits, the LTD plan will pay you at least \$100 a month or 10% of your monthly benefit before reduction for other benefits, whichever is more.

These other sources of income include benefits from Social Security, Workers' Compensation, association plans, and other government or company programs for which you qualify. Your LTD benefit is based on most other sources of income for which you are eligible whether or not you apply for them.

If you are eligible for disability payments from any plan that offsets your LTD benefit (such as Social Security or Workers' Compensation) and you do not begin receiving those payments immediately for any reason, Cigna reserves the right to estimate the monthly benefit amount and to reduce your LTD benefit by the estimated amount payable from the other plan.

Your LTD benefit is reduced by benefits from TRS or ORP when you receive payments from these plans while you are receiving LTD benefits.

Your benefit will be calculated as of the day Cigna determines you became totally disabled. The pay used to figure your benefit will be 1/12 of your annual budgeted pay as of the day you became disabled, not counting commissions, bonuses, overtime, longevity or hazardous duty pay, or other fringe benefits. Any pay increases that become effective after your disability begins will not be considered in determining your benefit. If benefits are payable for less than a month, you will receive 1/30 of the monthly benefit for each day you are disabled.

## Lump Sum Payments

If you receive a lump-sum benefit from another source, such as Workers' Compensation, in order to figure your LTD plan benefit Cigna will prorate that lump-sum over the period it would normally be paid or over a period of five years.

If you receive a retroactive payment from another plan, Cigna will refigure the benefits you have already received. **You must pay Cigna back for any overpayments you received.**

## Income that Offsets your LTD Benefit

Any income you start receiving from certain sources after your disability begins offsets your LTD benefits. In other words, the plan takes 65% of your pay, subtracts any amount you receive from the following sources, and pays you the remaining amount as LTD benefits.

Your LTD benefit will be offset by any disability payments you are eligible to receive from:

- Social Security disability benefits to which you or your family may be entitled because of your disability or any other governmental law or program that provides disability or unemployment benefits as a result of your job, including the Railroad Retirement Act, Canada Pension Plan, Canada Old Age Security Act, Quebec Pension Plan or any such provincial plan
- any group LTD plan
- A&M System sick leave, sick leave pool, emergency leave or holidays

- temporary benefits under workers' compensation law, the Jones Act, occupational disease law or similar laws,
- disability benefits from the Veteran's Administration or any other foreign or domestic government agency, including any increase in the benefit that becomes effective after you become disabled under this plan.

Your LTD benefit will be offset by any benefits you actually receive from the following while receiving LTD benefits:

- any disability benefits from an employer retirement plan, including TRS or ORP
- any retirement benefits from an employer retirement plan, including TRS or ORP, unless you immediately transfer the payment to another IRS-qualified plan to fund future retirement payments
- Social Security retirement benefits for you or your family, unless you become disabled after age 70 and are already receiving Social Security benefits
- regular benefits under Workers' Compensation law, the Jones Act, occupational disease law or similar laws,
- settlements or judgments, minus associated costs, of a lawsuit that represents or pays you for your loss of earnings

## **Your Partial LTD Benefit**

During the first two years of a disability that allows you to continue working and earning from 20% to 80% of your pre-disability pay, your benefit will be calculated the same way as a full disability benefit. However, if your LTD benefit (before reduction for other income benefits) plus your current earnings total more than 100% of your pre-disability pay, your LTD benefit will be reduced so that your total income is no more than the amount you earned before disability.

After the first 24-months, your LTD benefit will be refigured to take into consideration the percentage of your pre-disability pay you are earning. The formula that will be used is:

- pre-disability pay minus earnings during disability multiplied by 65%

You will receive at least the minimum LTD benefit each month from the plan while eligible for a partial benefit. You will no longer be eligible for LTD benefits if your disability earnings exceed 80% of your pre-disability income (your pay as of the day you became disabled, adjusted for inflation) during the first 60-months of disability. Your benefit eligibility will also end any time after this period when your monthly disability earnings are greater than your monthly partial LTD benefit. You will not receive an LTD benefit for any month in which your earnings exceed the limits described below.

For purposes of calculating your partial LTD benefit, your disability earnings will be the amount you are actually earning or the amount you could earn if you were working to your maximum capacity, whichever is greater. During your first 60-months of disability, maximum capacity is the most work you are able to do and is reasonably available in your regular occupation. After this period, maximum capacity is based on the most work you are able to do and is reasonably available in any gainful occupation for which you are reasonably qualified by training, education or experience.

If you refuse an offer of employment that is within your capabilities as described by your physician and consistent with your education, training and experience, the amount of pay you were offered will be used to figure your partial disability benefit. This applies to an offer of employment from any employer.

## How LTD Benefits Are Determined

Monthly pay when you became disabled: \$2,000

First the plan figures your full monthly benefit:

Monthly pay	\$2,000.00
Benefit percentage	$\times \frac{65\%}{100}$
<b>Target benefit</b>	<b>\$1,300.00</b>

Then the plan looks at the other benefits you receive:

Social Security	\$ 400.00
Workers' Compensation	200.00
TRS	$+ \frac{0.00^*}{100}$
Total other income	\$ 600.00

Your LTD benefit is your target benefit minus the other benefits you receive:

Target LTD benefit	\$1,300.00
Other income benefits	$- \frac{600.00}{100}$
<b>Actual LTD benefit</b>	<b>\$ 700.00</b>

Your total income during disability is your LTD benefit plus the other benefits you receive:

LTD benefit	\$ 700.00
Other income benefits	$+ \frac{600.00}{100}$
<b>Total disability income</b>	<b>\$1,300.00</b>

Monthly pay when you became disabled: \$2,500

First the plan figures your full monthly benefit:

Monthly pay	\$2,500.00
Benefit percentage	$\times \frac{65\%}{100}$
<b>Target benefit</b>	<b>\$1,625.00</b>

Then the plan looks at the other benefits you receive:

Social Security	\$ 600.00**
Workers' Compensation	600.00
TRS	$+ \frac{800.00^{**}}{100}$
Total other income	\$2,000.00

Your other income is more than your target benefit. Therefore, you receive the minimum benefit -- \$100 or 10% of your target benefit.

Target benefit	\$1,625.00
Minimum percentage	$\times \frac{10\%}{100}$
<b>Minimum benefit</b>	<b>\$ 162.50</b>

Since 10% of your target benefit is more than \$100, your LTD benefit is \$162.50. Your total income disability is your LTD benefit plus the other benefits you receive:

LTD benefit	\$ 162.50
Other income benefits	$+ \frac{2,000.00}{100}$
<b>Total disability income</b>	<b>\$2,162.50</b>

\*Assumes you elect to defer payment of your benefit until you no longer are receiving LTD payments.

\*\*Assumes you elect to receive TRS benefit while you are receiving LTD benefits. This is taxable income. In some cases, Social Security benefits and other sources of income could also be taxable.

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## Partial Disability Benefits

If you continue to work with a disability or take a rehabilitative job and earn 20% to 80% of your pre-disability pay, here's how your benefit will be figured. Using the first example on page 12, your pay before disability was \$2,000. Your unreduced disability benefit is \$1,300 (65% of \$2,000). Since most other disability income sources do not pay benefits for partial disability, we'll assume you receive no other benefits. Assuming you work part time and earn \$500 a month, here's how your disability income will be figured:

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<b>First 24-months</b>		<b>After first 24-months</b>	
LTD benefit	\$1,300	Pre-disability pay	\$2,000
<i>plus</i>		<i>minus</i>	
Post-disability pay	+ 500	Post-disability pay	- 500
<b>Total income during partial disability</b>	<b>\$1,800</b>		\$1,500
		multiplied by	<u>x 65%</u>
		<b>Partial disability</b>	<b>\$ 975</b>

Your total disability income in this case is your partial disability benefit plus your post-disability pay:

Partial LTD benefit	\$ 975
<i>plus</i>	
Post-disability pay	+ 500
<b>Total income during partial disability</b>	<b>\$1,475</b>

Your benefit eligibility will also end any time after this period when your monthly disability earnings are greater than your monthly partial LTD benefit. You will not receive an LTD benefit for any month in which your earnings exceed the limits described below.

For purposes of calculating your partial LTD benefit, your disability earnings will be the amount you are actually earning or the amount you could earn if you were working to your maximum capacity, whichever is greater. During your first 60-months of disability, maximum capacity is the most work you are able to do and is reasonably available in your regular occupation. After this period, maximum capacity is based on the most work you are able to do and is reasonably available in any gainful occupation for which you are reasonably qualified by training, education or experience.

If you refuse an offer of employment that is within your capabilities as described by your physician and consistent with your education, training and experience, the amount of pay you were offered will be used to figure your partial disability benefit. This applies to an offer of employment from any employer.

### **Income That Does Not Offset Your LTD Benefit**

While most group benefits offset—or reduce—the amount you receive from the LTD plan, some sources of income do not affect your benefit. These include any income you receive from:

- A&M System vacation
- a no-fault automobile policy
- personal investments
- personal disability income plan not obtained through a group- or employer-related program
- credit disability insurance or franchise disability income plans
- Veteran's Administration disability benefits, if payments began before your disability began
- military retirement benefits
- profit sharing, employee stock, thrift, 403(b) (excluding ORP or another employer-funded retirement plan) or 401(k) plans
- individual retirement accounts, individual tax-sheltered annuities, tax-deferred accounts, deferred compensation plans, Keoghs or capital accounts
- another employer's retirement plan, if payments began before your disability began
- group voluntary AD&D plans for partial or full paralysis
- long-term care plans

## Catastrophic Disability Benefit

A “Catastrophic Disability” means you are either unable to perform, without Substantial Assistance, at least two Activities of Daily Living, or you have a severe cognitive impairment that requires substantial supervision to protect you or others from threats to health and safety. “Activities of Daily Living” are:

1. Bathing (i.e., washing oneself in a shower or tub, including getting into or out of the tub or shower, or washing oneself by sponge bath.)
2. Dressing oneself by putting on and taking off all items of clothing and needed braces, fasteners and artificial limbs.
3. Continence (i.e., the ability to maintain control of one’s own bowel and bladder function; or when un- able to maintain bowel or bladder function, the ability to perform associated hygiene, including caring for a catheter or colostomy bag).
4. Toileting oneself by getting to and from the toilet, getting on and off the toilet, and performing personal hygiene associated with toileting.
5. Feeding oneself by getting nourishment into one’s own body either from eating food that is made available to you in a receptacle such as a plate, cup or table, or by feeding oneself by a feeding tube or intravenously.
6. Transferring (i.e., the ability to get oneself into or out of a bed, a chair or wheelchair; or the ability to move from place to place either by walking, use of a wheelchair, or some other means.)

“Cognitive Impairment” means the loss or deterioration in intellectual capacity that meets these requirements:

1. The loss or deterioration in intellectual capacity is comparable to and includes Alzheimer’s disease and similar forms of irreversible dementia;
2. The loss or deterioration in intellectual capacity is measured by clinical evidence and standardized tests that reliably measure impairment in the individual’s short-term and long-term memory, orientation as to person, place, or time and deductive or abstract reasoning.

“Substantial Assistance” means the physical assistance of another person without which you would not be able to perform an activity of daily living; or the constant presence of another person within arm’s reach that is necessary to prevent, by physical intervention, injury to you while you are performing an activity of daily living.

“Substantial Supervision” means continual oversight that may include cueing by verbal prompting, gestures, or other demonstrations by another person, and which is needed to protect you from threats to health and safety.

Catastrophic Disability Benefits are payable when the Insurer determines that you have a Catastrophic Disability that is due to the same sickness or injury for which Disability Benefits are payable under this Policy. The benefits are payable only while these conditions are met:

1. You are receiving monthly Disability Benefits under the Policy.
2. Your Catastrophic Disability lasted at least through the Elimination Period.
3. You submit satisfactory proof of Catastrophic Disability to Cigna.

Benefits are payable monthly at a rate equal to 10% of your monthly covered earnings to a maximum monthly benefit of \$1,333. This benefit is not reduced by any other source of income. For periods of less than one month, Cigna will pay 1/30th of the monthly benefit for catastrophic disability for each day.

Catastrophic Disability Benefits end on the earliest of:

1. the date your Catastrophic Disability ends;
2. the date you are no longer receiving monthly disability benefits under the Policy;
3. the date you fail to submit proof of continuing Catastrophic Disability; or
4. the date you die.

## Rehabilitation

You may receive partial disability benefits as described above when you participate in a rehabilitation program. With Cigna’s approval, a rehabilitation program may include:

- vocational testing,

- vocational training,
- alternative treatment plans such as support groups, physical therapy, occupational therapy and speech therapy,
- workplace modifications, or
- job placement.

### **Family Care Expense Benefit**

If you have expenses for care of a child or other family member while you are participating in a rehabilitation program, the cost of that care, up to \$400 per month per child or family member, will be covered.

Dependent care expenses are those for care of your children younger than 13 or an older member of your household who is mentally or physically disabled and incapable of independent living.

Your dependent care credit cannot be more than your earnings and cannot be taken for more than 24 months. You must provide receipts from your caregiver. The caregiver may not be a member of your family, or living with you.

### **Indexed Earnings**

For the first 12 months that benefits are payable, your Indexed Earnings equal your covered earnings. After 12 months benefits are paid, your Indexed Earnings are your covered earnings, plus an increase applied on each anniversary of the date the monthly benefits became payable. The amount of each increase will be the lesser of 10% of your Indexed Earnings during your preceding year of disability; or the rate of increase in the Consumer Price Index (CPI-W) during the preceding calendar year.

### **Cost-of-Living Increases**

Your benefit will be adjusted on the date the 12th monthly benefit is payable. Further adjustment will take effect on each anniversary of the first adjustment. This increase is made to adjust benefits for cost-of-living increases. You may receive up to five cost-of-living increases while you receive benefits.

### **Social Security Disability Benefits**

You and your dependents may be eligible for Social Security disability payments if you are totally disabled. These benefits can begin in the sixth

month of disability if your disability prevents you from doing any substantial, gainful work and is expected to last at least 12 months or result in death. The amount is based on your earnings history. You and the A&M System share the cost of your Social Security protection. Because of this, Social Security disability benefits are included as part of the 65% of pay you receive while disabled. Your LTD payments will be calculated based on the initial family Social Security benefit that you, your spouse and other dependents are entitled to receive. LTD benefits are not reduced for future Social Security benefit increases. If you are eligible to receive Social Security disability benefits but have not applied for them, they will still be considered as part of your disability income. In that case, or if you do not report your Social Security benefit amount, an estimated amount will be used to calculate your LTD benefit. Should the estimated benefit later prove to be incorrect, your LTD benefit will be adjusted, and you will receive a payment to correct any underpayment of your LTD benefit.

Instead of having your benefit reduced by an estimated Social Security benefit, you may sign an agreement that you will repay Cigna for any overpayments once Social Security payments begin. If you supply satisfactory evidence that you applied for Social Security disability benefits and your Social Security claim was denied, your LTD benefit will be calculated without the Social Security offset. You may be required to appeal the Social Security denial of your claim. If you have questions about Social Security disability benefits, contact your local Social Security office.

### **Workers' Compensation**

If you become ill or injured on the job, you may be eligible for two kinds of Workers' Compensation benefits:

- medical benefits related to your disability, and
- disability income benefits to help replace lost income.

Any disability income benefits you receive from Workers' Compensation become part of the 65% of pay you receive during disability. Your Workers' Compensation premiums are paid by the A&M System. Benefits are determined by state law.

# How Long Benefits Are Paid

*Benefits for physical disabilities are payable for as long as you remain disabled up to age 65. Benefits may be paid beyond age 65 depending on your age when you become disabled. Benefits for non-organic mental disabilities are limited to 24 months.*

LTD benefits are designed to replace part of your income while you are disabled (as defined in section “Disability”) during your working years. To do this, the plan will pay you benefits after 90 days of disability.

## Benefits for Physical Disability

Benefits due to physical disabilities will continue while you are disabled until you recover, die or reach age 65. However, if you become disabled after reaching age 60, payments may extend past age 65 for the greater of the Reducing Benefit Duration or the Social Security normal retirement age, as shown below.

## Benefits for Mental Disabilities

Benefits for mental disabilities are limited to the term of the disability or 24 months, whichever is less. Mental illness means any psychological, behavioral or emotional disorder or ailment of the mind, including physical manifestations of these disorders or ailments. It does not include demonstrable, structural brain damage. If you are confined to an accredited hospital or institution at the end of the 24 months, you will continue to receive LTD benefits while you remain confined in a hospital or other place licensed to provide medical care for your disabling condition.

## Proof of Disability

Payments may also end if you do not provide periodic proof of your continued disability or you refuse to be examined at Cigna’s request (see “Disability”). Payments also end if you are partially disabled and begin earning more than 80% of your pre-disability pay, adjusted for inflation.

Reducing Benefit Duration		Social Security Normal Retirement Age	
<i>Age at time of disability</i>	<i>Benefit duration</i>	<i>Birthdate</i>	<i>SS normal retirement age</i>
Less than 60	To age 65	1937 or earlier	65
60	60 months	1938	65 + 2 months
61	48 months	1939	65 + 4 months
62	42 months	1940	65 + 6 months
63	36 months	1941	65 + 8 months
64	30 months	1942	65 + 10 months
65	24 months	1943-1954	66
66	21 months	1955	66 + 2 months
67	18 months	1956	66 + 4 months
68	15 months	1957	66 + 6 months
69+	12 months	1958	66 + 8 months
		1959	66 + 10 months
		1960 & later	67

## Recovery

You will be considered recovered if you no longer meet the requirements for disability (see “SECTION”).

## If You Die

If you die after being disabled for at least 90 continuous days and you have received at least one monthly LTD benefit, your survivors will receive a benefit of three times your monthly benefit (before reduction for other income benefits and earnings). This will be paid to your spouse or, if you have no spouse, to your children

younger than 26 who are dependent on you for financial support. If you have no spouse or dependent children younger than 26 it will be paid to your estate. If your survivors are to receive a benefit after your death, that benefit will be reduced by any overpayment that had been made to you.

### **If You Refuse Treatment, Rehabilitation, or Accommodation**

Your benefits will stop if you refuse to receive recommended treatment that is generally acknowledged by physicians to cure, correct or limit the disabling condition. Benefits also will stop if you refuse to participate in a rehabilitation program or if you refuse to cooperate with or try accommodations designed to allow you to perform the essential duties of your job during your first 60 months of disability or of any job after 60 months of disability. This includes:

- changes to your worksite or job process to accommodate medical limitations, and
- adaptive equipment or devices designed to accommodate your medical limitations.



# Applying For Benefits

*You must apply for LTD benefits. If your claim is denied, you may follow a review process.*

If you have a claim for benefits, you should contact your Human Resources office within 30 days or as soon as reasonably possible after your disability begins. That office will give you the forms you need to apply for LTD benefits.

You must submit written proof of your disability to Cigna within 90 days after the end of the waiting period. If you cannot give proof within this period, you must give proof as soon as reasonably possible. However, you may not give proof of claim later than one year after proof is otherwise required, unless you are not legally competent.

Proof must include:

- date the disability began,
- the cause of the disability,
- the prognosis of your disability,
- your income (including copies of federal and state tax returns) and,
- evidence that you are under the care of a physician
- medical documentation,
- names and addresses of medical practitioners and facilities you are using or have used, and
- signed authorization for Cigna to obtain your medical, employment, financial and other information.

*Cigna also has the right to require, as proof of loss, your signed statement identifying all other income benefits and satisfactory proof that you and your dependents have applied for those benefits that are available.*

Cigna may periodically require further proof that you continue to be disabled and under a physician's care. You must comply with all requests by the due dates. Cigna, at its expense, may require a physical examination and may do so more than once. You must also notify Cigna immediately if you return to

work at any job. Disagreements about benefits are rare, but should you and the company disagree about your eligibility for or the amount of your benefit, you may follow a review process.

## How to Appeal a Claim

If your claim for benefits is denied in whole or in part, Cigna will notify you in writing within 90 days after your claim form was filed. In special circumstances, Cigna may need an additional 90 days to give you a decision on your claim, but you will be notified of the delay and the reason for it.

The written notice of claim denial will give specific reasons for the denial and reference the specific plan provisions on which the denial is based. It will also describe any additional material you must submit and explain the plan's claim review procedures.

Within 60 days of receiving written notice of a claim denial, you or your authorized representative may submit a written request for reconsideration to Cigna. Be sure to state why you believe the claim should not have been denied and submit any data, questions or comments you think are appropriate. You may also review any pertinent plan documents. Your appeal will be reviewed by the claims administrator.

A decision on the appeal will be made by Cigna within 60 days after receipt of your request for review unless special circumstances require additional time. In no event will a decision be made more than 120 days after receipt of your request.

The decision based on the review will be in writing and will include the specific reasons for the decision as well as specific references to the appropriate plan provisions on which the decision is based. This is the final decision on your claim.

## Claim Payments

You will receive monthly benefit payments after you complete your waiting period. Your first check will be mailed to you at the end of the month following your benefit start date. Cigna may, at its option, pay benefits in advance based on an estimated duration of your disability. You must repay any overpayments made in error. In other words, if you became disabled June 15, you would

complete your 90-day waiting period on September 13. That would be your benefit start date. Your first check would be mailed to you sometime between September 13 and October 13. Subsequent checks would be mailed at approximately one-month intervals as long as you remain eligible for benefits.

### **Other Benefits**

You should also apply immediately after becoming disabled for Social Security and any other benefits for which you might qualify.

### **Subrogation**

If you suffer a disability because of the action or omission of someone else, you should take legal action to recover lost wages from that person or entity. If you are receiving LTD benefits and do not initiate legal action within a reasonable period, Cigna may take legal action against the person or entity to recover the cost of the LTD benefits paid to you.

# When Coverage Ends

*Coverage normally ends on the last day of the month in which your employment ends. In some cases, coverage may be extended.*

As long as the plan remains in effect, you may be covered by the plan if you continue to meet the eligibility requirements. Your coverage will generally end on the earliest of the following dates:

- the day this policy ends,
- the last day of the period for which you paid the premium,
- the last day of the month after you ask that your coverage be dropped,
- the last day of the month in which your employment ends or you become ineligible for coverage, or
- the day the A&M System stops offering the plan.

Your coverage does not end due to a leave of absence unless you stop paying the premium (see “SECTION”).

## **Extension of Benefits**

If you are disabled and entitled to benefits when this plan ends, you will continue to receive benefits as long as you remain disabled from the same cause. However, benefits will not be paid for longer than they would have been paid had the policy remained in effect.

# Administrative and Privacy Information

*Here are some other facts about the plan you might want to keep handy.*

## Plan Name

The official name of this plan is The Texas A&M University System Group Long-Term Disability Insurance Program (more familiar names: the Long-Term Disability Plan or LTD Plan).

## Plan Sponsor

Director of Risk Management and Benefits Administration  
The Texas A&M University System Moore/Connally Building  
301 Tarrow Dr., 5th Floor  
College Station, TX 77840  
Mail Stop: 1117 TAMU (979) 458-6330

## Plan Administrator

The plan administrator is the Director of Risk Management and Benefits Administration. Contact at the address shown for the Plan Sponsor.

## Type of Plan

The Long-Term Disability plan is a group welfare plan providing income replacement benefits. It is a fully-insured plan funded through employee and, in some cases, employer contributions.

## Claims Administrator

LTD plan benefits are insured through a contract with Cigna. Claims are also administered by Cigna.  
Cigna  
P.O. Box 709015  
Dallas, TX 75370-9015  
(800) 362-4462

The plan contract governs all plan benefits. You may examine a copy of the contract or obtain a copy for a copying fee by contacting the Plan Sponsor.

## Questions and Complaints

If you have a question or a complaint, call Cigna at 1 (800) 362-4462 or write to:

Cigna  
P.O. Box 709015  
Dallas, TX 75370-9015

If your problem is not resolved, call or write to:

The Texas Department of Insurance  
P.O. Box 149104  
Austin, TX 78714-9104  
Phone: 1 (800) 252-3439 Fax: 1 (512) 475-1771  
POLICY NUMBER  
VDT98005

**Plan Year**

Plan records are kept on a plan-year basis. The plan year begins each September 1 and runs through the next August 31.

**Employer Identification Number**

74-2648747

**Agent For Service of Legal Process**

Plan Administrator

**Future of the Plan**

While The Texas A&M University System intends to continue this plan indefinitely, it may change, suspend or end the plan at any time for any reason.

If the Long-Term Disability plan ended, benefits would be paid only for disabilities that occurred before the plan ended. No benefits would be payable for disabilities that occurred after the date the plan ended.

System Benefits Administration  
Moore/Connally Building  
The Texas A&M University System  
301 Tarrow Dr., 5th Floor  
College Station, TX 77840