

Disability

Disability programs replace a portion of an employee's paycheck when he/she is ill, injured or recovering from childbirth. Keep reading to find out what disability benefits are offered through:

- **The Disability Income Plan of North Carolina (DIP-NC):**

Employees are eligible for basic short-term and long-term disability benefits if they participate in Teachers' and State Employees' Retirement System (TSERS) and meet other eligibility criteria listed below. See the "Disability Benefits for Participants in TSERS" section, starting on this page, for details.

- **NCFlex:** For full-time active employees of a state agency, select community college, or select charter school, working at least 30 hours or more per week, employees can choose supplemental combined STD and LTD disability coverage. (See the "NCFlex Voluntary Disability Plan" section, starting on page 39.)

Disability Benefits for Participants in TSERS

State of NC employees who participate in the Teachers' and State Employees' Retirement System (TSERS), may qualify for disability benefits under the Disability Income Plan of North Carolina (DIP-NC). This section provides details about the DIP-NC disability benefits.

Additional Disability Coverage Available

In addition to the disability coverages available through DIP-NC, employees also may be eligible to purchase additional disability coverage through the NCFlex Voluntary Disability Plan. See "**Employees Can Supplement Basic STD/LTD through the NCFlex Voluntary Disability Plan**" on page 37 to see how the disability coverages work together.

Also, see "**NCFlex Voluntary Disability Plan**" on page 39 for more details. The Voluntary Disability Plan does not require an employee to have any creditable service under the retirement plan before it begins paying benefits. In addition, voluntary disability coverage may increase the amount of benefits an employee receives each month.

Eligibility

Whether an employee qualifies for STD or LTD benefits depends on how many years of creditable service he/she has as a participant in TSERS. In addition, disability benefits may be limited if an employee has fewer than five years of creditable service.

If an employee is eligible for STD coverage, after having been disabled for 60 days, the STD plan begins paying a monthly disability benefit for up to a year. After a year, if the employee remains disabled and is eligible for LTD coverage, the LTD plan pays a monthly benefit for as long as the employee qualifies as disabled. (See "**Employees Can Supplement Basic STD/LTD through the NCFlex Voluntary Disability Plan**" section on page 37.)

STD Coverage through DIP-NC

If an employee has at least one year of contributing membership service in TSERS (earned within the 36 calendar months preceding the disability) and meets all plan requirements, the STD plan will pay a benefit due to a qualified disabling illness or injury after a 60-day waiting period.

The STD plan pays a monthly benefit equal to 50% of the employee's monthly salary, up to a maximum of \$3,000 per month. The plan continues to pay this benefit until the employee is no longer disabled, or 365 days have passed since the beginning of the disability, whichever comes first.



Here's a brief summary of the STD benefits under this plan:

Creditable Service as a Participant in TSERS	During This Period of Disability	STD Plan Benefit (DIP-NC)
Less than 1 year	For as long as the employee is disabled.	No benefit.
1 year or more	First year of disability.	After a 60-day waiting period, the plan pays 50% of the employee's monthly salary, up to a maximum of \$3,000 per month.*

* Offsets may apply.

The STD plan does not pay benefits for disabilities that begin before an employee has at least one year of service as a participant in TSERS. However, employees can purchase supplemental disability coverage to provide a benefit if they become disabled during that first year.

Extended STD Coverage through DIP-NC

If an employee's disability is considered temporary but continues past the first year, an additional period of STD may be approved, not to exceed 365 days. The employee must meet all disability requirements and be approved by the plan's medical board.

Here's a brief summary of the Extended STD benefits under this plan:

Creditable Service as a Participant in TSERS	During This Period of Disability	Extended STD Plan Benefit (DIP-NC)
Less than 1 year	For as long as the employee is disabled.	No benefit.
1 year or more	During the second year of disability.	Following the initial STD period, the plan pays 50% of the employee's monthly salary, up to a maximum of \$3,000 per month.*

* Offsets may apply.

LTD Coverage through DIP-NC

If an employee has at least five years of membership service in TSERS, the LTD plan will pay a benefit if he/she remains disabled for longer than 365 days and is considered permanently disabled.

The LTD plan pays a monthly benefit equal to 65% of an employee's monthly salary, up to a maximum of \$3,900 per month. The plan continues to pay this benefit until the employee is no longer disabled, or when he/she qualifies for retirement, whichever comes first. Other rules may apply which may offset or end payments.

Here's a brief summary of the LTD benefits under this plan:

Creditable Service as a Participant in TSERS	During This Period of Disability	LTD Plan Benefit (DIP-NC)
Less than 5 years	For as long as the employee is disabled.	No benefit.
5 years or more	Beginning the second year of disability and continuing for as long as the employee is disabled. ¹	The plan pays 65% of the employee's monthly salary, up to a maximum of \$3,900 per month. ²

Although the LTD plan does not pay benefits for disabilities that begin before an employee has at least five years of service as a participant in their retirement plan, he/she can purchase supplemental disability coverage to provide a benefit if he/she becomes disabled during that time.

¹ See "Length of Long-Term Benefits" in the Disability Income Plan of NC handbook for details on how long benefits may last.

² Offsets may apply.

Employees Can Supplement Basic STD/LTD through the NCFlex Voluntary Disability Plan

Although being a member of TSERS provides basic STD and basic LTD coverage at no cost, eligible employees may wish to consider purchasing additional STD and LTD protection through the NCFlex **Voluntary Disability Plan** offered through The Standard. Keep reading to find out how this coverage works with basic STD and LTD coverages (and see "**NCFlex Voluntary Disability Plan**" on **page 39** for more details).

How the NCFlex Voluntary Disability Plan Works with Basic STD and LTD Coverage

The NCFlex Voluntary Disability Plan includes short-term disability (STD) coverage which pays a benefit up to \$750 a week with no offsets following the benefit waiting period. If an employee is still disabled after 60 days, the claim will transition to long-term disability (LTD) coverage, which pays up to 66½% of an employee's salary with offsets for as long as the employee meets the definition of disability, but not to exceed normal Social Security retirement age.

The Voluntary Disability Plan begins paying a benefit if an employee is disabled for more than 10 business days. The 10-day period is called the *benefit waiting period*. The benefit waiting period is the length of time an employee must be disabled before he/she begins receiving benefits.

Generally, the plan supplements whatever basic STD or basic LTD benefit an employee may be receiving (including disability benefits provided through the DIP-NC coverage, plus certain other benefits as explained later). For the first 60 days the \$750 a week is on top of anything else the employee is receiving. After that, the payment is whatever amount is needed to bring the employee's total disability benefit up to 66½%. If the employee is not receiving any other disability benefits or other applicable deductible income, then the Voluntary Disability Plan pays all of the 66½% of his/her monthly salary itself.

In addition, enrolling in the Voluntary Disability Plan increases the maximum possible monthly benefit to \$12,500.

The plan pays benefits for a qualifying disability regardless of how many years of membership service an employee has as a participant in TSERS. Therefore, it fills in certain "gaps" during which basic disability coverage does not pay a benefit.



The table summarizes how the NCFlex Voluntary Disability Plan works with and supplements the basic STD and basic LTD plans:

Service in TSERS	During this Period of Disability	Benefits Paid	
		Basic STD Plan and Basic LTD Plan	NCFlex Voluntary Disability Plan
Less than 1 year	For as long as the employee is disabled, but not to exceed the maximum benefit period.	No benefit.	After the required waiting period, the plan pays up to \$750/week for the first 60 days and then 66⅔% of the employee's monthly income, minus deductible income, up to a maximum monthly benefit of \$12,500.
1 through 4 years	First year of disability.	STD: After a 60-day waiting period, the plan pays 50% of the employee's monthly salary up to \$3,000 per month.	After the waiting period, the plan pays up to an additional \$750/week for the first 60 days and then day 61 going forward, an additional 16⅔% (or more) of the employee's monthly salary, bringing the total benefit to 66⅔% of his/her monthly salary, up to a maximum monthly benefit of \$12,500 per month.
	Beginning the second year of disability and continuing for as long as the employee is disabled, but not to exceed the maximum benefit period.	Extended STD: If disability is temporary but exceeding one year, the plan pays 50% of the employee's monthly salary, up to a maximum of \$3,000 per month for the second year only. LTD: No benefit.	If an employee is approved for Extended STD, the plan pays the same benefit outlined for the first year of disability (see row above) for year two or until Extended STD ends. If the employee is not approved for Extended STD, or after Extended STD ends, the plan pays 66⅔% of his/her monthly salary, minus deductible income, up to a maximum of \$12,500 per month.
5 years or more	First year of disability.	STD: After a 60-day waiting period, the plan pays 50% of the employee's monthly salary up to \$3,000 per month.	After the waiting period, the plan pays up to an additional \$750/week for the first 60 days and then day 61 going forward, an additional 16⅔ % (or more) of the employee's monthly salary, bringing the total benefit to 66⅔% of his/her monthly salary, up to a maximum monthly benefit of \$12,500 per month.
	Beginning the second year of disability and continuing for as long as the employee is disabled, but not to exceed the maximum benefit period.	LTD: The plan pays 65% of the employee's monthly salary, up to \$3,900.	The plan will pay a benefit to make the employee whole up to 66⅔% of his/her monthly salary, up to a maximum of \$12,500 per month. The plan will pay a minimum of \$100/month or 10% of the LTD benefit (whichever is greater).

NCFlex Voluntary Disability Plan

Disability benefits replace a portion of an employee's paycheck when he/she is ill, injured or recovering from childbirth. The Voluntary Disability Plan, offered by NCFlex through The Standard, provides short term disability (STD) and long term disability (LTD) coverages. Keep reading for details.

The Voluntary Disability Program from NCFlex offers

Short Term Disability (STD)

Long Term Disability (LTD)

Covers first 60 days of disability

Begins on Day 61 of disability

Eligibility

Employees may enroll in the Voluntary Disability Plan if they are full-time active employees* of a state agency, select community college, or select charter school, working at least 30 hours or more hours per week.

* Employees of The University of North Carolina System are not eligible for this benefit.

Important: For Participants in TSERS

State of NC employees who participate in the Teachers' and State Employees' Retirement System (TSERS) are provided with basic short-term disability (STD) and long-term disability (LTD) coverage at no cost. These basic STD and basic LTD benefits are provided under the Disability Income Plan of North Carolina (DIP-NC). See **Disability Benefits for Participants in TSERS** on page 35 for details.

Employees also can purchase additional protection by enrolling in the Voluntary Disability Plan, described in this section, that may increase the amount of STD and LTD benefits they receive each month.

For New Hires/Newly Eligible

Employees who are new hires or are newly eligible for benefits do not need to provide Evidence of Insurability (EOI) if they enroll in Voluntary Disability Plan coverage within 30 days of their date of hire.

Definitions of Disability

STD: An employee will be considered disabled if, as a result of physical disease, injury, pregnancy or mental disorder, he/she is unable to perform with reasonable continuity the material duties of his/her own occupation. An employee is not considered disabled merely because his/her right to perform his/her own occupation is restricted, including a restriction or loss of license.

LTD: For the benefit waiting period and through the end of the first 24 months that LTD benefits are payable, an employee will be considered disabled if, as a result of physical disease, injury, pregnancy or mental disorder:

- He/she is unable to perform with reasonable continuity the material duties of his/her own occupation, and
- He/she suffers a loss of at least 20% of predisability earnings when working in his/her own occupation.

An employee is not considered disabled merely because his/her right to perform his/her own occupation is restricted, including a restriction or loss of license.

From the end of the Own Occupation Period (first 24 months) through the end of the maximum benefit period that LTD benefits are payable, an employee will be considered disabled if, as a result of physical disease, injury, pregnancy or mental disorder:

- He/she is unable to perform with reasonable continuity the material duties of any occupation.
- He/she suffers a loss of at least 40% of predisability earnings when working in any occupation.

Additional Features

24-hour coverage: Both STD and LTD benefits cover disabilities that occur on or off the job.

Personal Health Advocate: While on an approved STD claim, an employee will have access to a dedicated Personal Health Advocate who can assist with a wide range of services, such as coordinating health care with specialists and managing billing questions.

Reasonable accommodation expense

benefit: This benefit helps modify the work environment to allow an employee stay at work or return to work following a disabling condition.

Return to work incentive: While an employee is recovering from disability and if his/her doctor approves, he/she may be able to return to work while still receiving LTD benefits at a reduced rate.

Survivor benefit: If an employee dies while LTD benefits are payable, a survivor benefit may be payable to the beneficiary. The survivor benefit is three times the employee's monthly LTD benefit without reduction by deductible income.

Preexisting Condition Provision

An employee is not covered for a short or long term disability caused or contributed to by a preexisting condition unless on the date he/she becomes disabled, the employee has been continuously insured under the group policy for the exclusion period and have been actively at work for at least one full day after the end of a **12-month exclusion period**.

A preexisting condition is a mental or physical condition whether or not diagnosed or misdiagnosed during the 90-day period just before disability coverage becomes effective:

- For which the employee would have consulted a physician or other licensed medical professional; received medical treatment, services or advice; undergone diagnostic procedures, including self-administered procedures; or taken prescribed drugs or medications.
- Which, as a result of any medical examination, including routine examination, was discovered or suspected.

Treatment-Free Period: If an employee is treatment-free for six consecutive months during the 12-month exclusion period, any remaining exclusion period will not apply.

Short Term Disability

Short Term Disability (STD) provides income replacement if an employee becomes unable to work due to a medical disability. STD benefits begin on the first business day following the benefit waiting period:

What the Benefit Provides	The plan pays \$150 per business day, up to a maximum of \$750 per week.
Benefit Waiting Period	10 business days for qualifying accident, physical disease, pregnancy or mental disorder. This is the length of time an employee must be disabled before benefits begin.
How Long the Benefits Last	60 calendar days from the date of disability.
Benefits Are Paid	Weekly.
Deductible Income (offsets)	There are no offsets to the STD plan, meaning benefits are not reduced if the employee is receiving income from other sources, such as workers' compensation or Social Security.

Long Term Disability

Long Term Disability (LTD) provides income replacement if an employee becomes unable to work due to a medical disability. LTD benefits begin to pay after the employee has been continuously disabled for 60 days. The monthly benefit will be reduced by deductible income, such as Social Security or workers' compensation benefits.

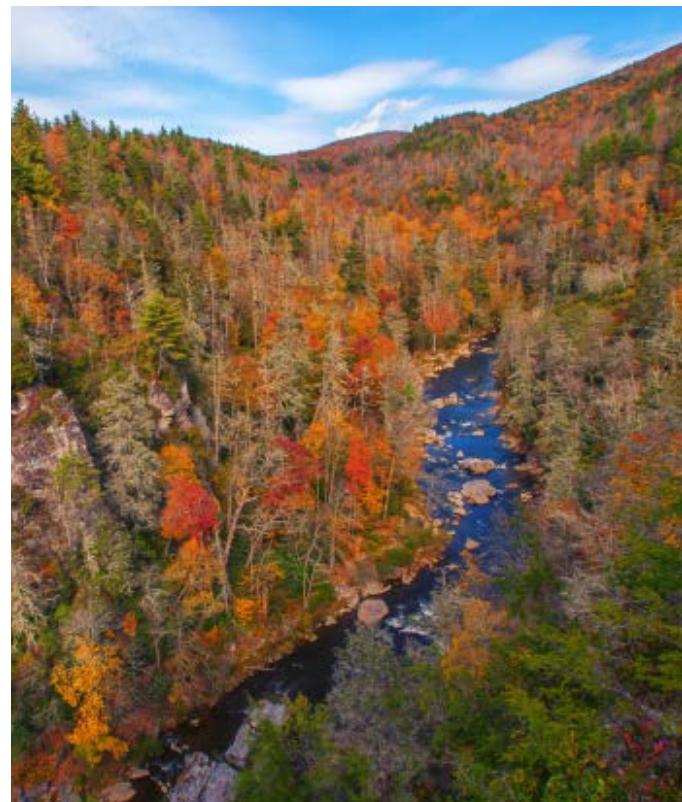
* Please see [page 42](#) for a list of deductible income sources.

What the Benefit Provides	The plan will replace up to 66% of eligible earnings*, up to a maximum benefit of \$12,500 per month. Plan minimum per month: \$100 or 10% of the LTD benefit (whichever is greater). <i>*Eligible earnings are an employee's monthly predisability earnings, as defined by the group policy.</i>
Benefit Waiting Period*	60 days. <i>*If an employee suffers a qualifying disability, the benefit waiting period is the length of time the employee must be continuously disabled before he/she can begin receiving a monthly benefit.</i>
How Long the Benefits Last*	Until the Social Security Normal Retirement Age (SSNRA), provided the employee continues to meet the definition of disability. Depending on an employee's age at the time of disability, his/her benefit may be subject to a different schedule. <i>*This is the maximum length of time the employee could be eligible to receive disability benefits for a continuous disability.</i>
Benefits Are Paid	Monthly.

Maximum LTD Benefit Period

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

Age	Maximum Benefit Period
62	3 years, 6 months
63	3 years
64	2 years, 6 months
65	2 years
66	1 year, 9 months
67	1 year, 6 months
68	1 year 3 months
69 or older	1 year



Deductible LTD Income

Employees' benefits will be reduced if they have *deductible income*, which is income they receive or are eligible to receive while receiving LTD benefits.

Deductible income includes:

- Sick pay, annual or personal leave pay, severance pay or other forms of salary continuation (including donated amounts) paid that exceeds 100 percent of an employee's indexed predisability earnings when added to the LTD benefit.
- Benefits under a workers' compensation law or similar law.
- Amounts under unemployment compensation law.
- Social Security disability or retirement benefits.
- Amounts because of an employee's disability from any other group insurance.
- Any retirement or disability benefits an employee received from his/her employer's retirement plan.
- Benefits under any state disability income benefit law or similar law.
- Earnings from work activity while an employee is disabled, plus the earnings he/she could receive if he/she works as much as his/her disability allows.
- Earnings or compensation included in predisability earnings which an employee receives or is eligible to receive while LTD benefits are payable.
- Amounts due from or on behalf of a third party because of an employee's disability, whether by judgment, settlement or other method.
- Any amount an employee receives by compromise, settlement or other method as a result of a claim for any of the above.

NCFlex Voluntary Disability Plan Monthly Premium Rates

Age as of last January 1	Rate per \$100 of Covered Monthly Payroll
Less than age 25	\$0.922
25-29	\$0.846
30-34	\$0.935
35-39	\$0.826
40-44	\$0.845
45-49	\$1.097
50-54	\$1.395
55-59	\$1.677
60-64	\$1.854
65-69	\$1.634
70+	\$2.280

Use this formula to estimate monthly premium payments:

$$\frac{\text{Monthly Earnings}^* \times \text{Employee's rate}}{100} = \text{Monthly Premium Estimate}$$

Monthly Earnings* (Yearly base salary divided by 12) Employee's rate from the table Monthly Premium Estimate

**Earnings cannot be more than \$18,750 per month.*

If an employee receives biweekly paychecks, take the monthly premium and divide by 2 to get an estimate of the semi-monthly premium.

Note: This calculation is meant to provide an estimate of premium. Actual premium may vary based on an employee's salary provided by his/her employer and his/her age on the effective date of the disability coverage.

Changes in Premium

While insured under the plan, an employee's premiums may change due to the following:

- **Change in salary:** If an employee's salary changes while he/she is insured under the plan, the premium will be adjusted based on the new salary amount. The new premium will become effective the first of the month following the change. (Example: If an employee's salary increase occurs on July 15, increased premiums will be deducted in the next paycheck following August 1.)
- **Age band change:** If an employee ages out of his/her current age band while insured under the plan, premiums will be adjusted to the new age band. The new premium will become effective the following January 1. (Example: If an employee turns 35 on July 15, 2021, he/she will move from the 30-34 age band to the 35-39 age band. The higher premium will begin the first paycheck following January 1, 2022.)

Important Details

Here are more in-depth details about the plans. All of the details below apply to both the STD and LTD plans except where noted.

Employee Coverage Effective Date

To become insured, an employee must:

- Meet the eligibility requirements.
- Apply for coverage and agree to pay premiums.
- Receive medical underwriting approval (if applicable).
- Be actively at work (able to perform all normal duties of the job) on the day before the scheduled effective date of insurance.

If an employee is not actively at work on the day before the scheduled effective date of insurance, disability insurance will not become effective until the first of the month following his/her first full day of active work as an eligible employee.

Reinstatements are subject to medical underwriting approval.

Employees should contact their Health Benefits Representative (HBR) for more information regarding the requirements that must be satisfied for his/her insurance to become effective.

Limitations – STD

Disability benefits are not payable for any period when the employee is:

- 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 the disability prevents the employee from participating.
- Confined for any reason in a penal or correctional institution.
- Able to work in his/her own occupation but the employee elects not to.

Limitations – LTD

Disability benefits are not payable for any period when the employee is:

- 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 the disability prevents the employee from participating.
- Confined for any reason in a penal or correctional institution.
- Able to work in his/her own occupation or any occupation but the employee elects not to.

In addition, the length of time an employee can receive LTD benefits is limited to 12 months while the employee resides outside the United States or Canada.

Exclusions

Subject to state variations, an employee is not covered for a disability caused or contributed by any of the following:

- Committing or attempting to commit an assault or felony, or active participation in a violent disorder or riot.
- An intentionally self-inflicted injury, while sane or insane.
- War or any act of war (declared or undeclared, and any substantial armed conflict between organized forces of a military nature).
- The loss of the employee's professional or occupational license or certification.
- A preexisting condition or the medical or surgical treatment of a preexisting condition unless on the date the employee becomes disabled, he or she has been continuously insured under the group policy for the exclusion period and he or she has been actively at work for at least one full day after the end of the exclusion period.

When Benefits End

Disability benefits end automatically on the date any of the following occur:

- The employee is no longer disabled.
- The employee's maximum benefit period ends.
- Long term disability benefits become payable to the employee under a LTD plan (applicable to STD only).
- The employee fails to provide proof of continued disability and entitlement to benefits.
- The employee dies.

When Disability Coverage Ends

An employee's disability coverage ends automatically when any of the following occur:

- The date the last period ends for which a premium was paid.
- The date the group policy (or the employer's coverage under the group policy) terminates.
- The date the employee ceases to meet the eligibility requirements (insurance may continue for limited periods under certain circumstances).

Group Insurance Certificate

If coverage becomes effective, and the employee becomes insured, he/she 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 the group policy. The information presented in this summary does not modify the group policy, certificate or the insurance coverage in any way.

Filing Claims

The following information will help employees file a Disability claim with Standard Insurance Company (The Standard).

Reporting a Claim

Employees should report a claim as soon as they believe they will be absent from work beyond 10 business days. If an employee is uncertain about how long he/she will be absent or whether he/she should file a claim or not, they should go ahead and file a claim to give them some peace of mind and give The Standard time to begin its review and issue a timely payment if appropriate.

How to File a Claim

Here are instructions to provide employees who want to file a claim.

To File a Claim By	Contact
Telephone	Call The Standard's Claim Intake Service Center at 833-878-8858 .
Online	Go to standard.com and click on "File a Claim" to begin the claim process. Instructions will be provided through the entire claim submission process. Note: If you submit your claim online, the claim submission system will indicate a requirement for a Disability Insurance Employer's Statement to be received before a decision may be made on your claim. Although this is a requirement, you do not need to take this to your employer. Upon receipt of your Employee Statement, The Standard will reach out to your employer to obtain the necessary information needed for your claim.
Paper claim	Your Health Benefits Representative

A typical application for disability benefits contains the following documents:

- Employee's Statement¹
- Employer's Statement²
- Attending Physician's Statement (APS)³
- Authorization to Obtain and Release Information

¹If the employee files online or by telephone, the submission serves as the Employee's Statement and The Standard will instruct the employee if any other documents need to be completed.

²The Standard will contact the Employer to obtain the information necessary on the Employer's Statement.

³It is the employee's responsibility to ensure the Attending Physician Statement is completed and faxed back to The Standard.

Frequently Asked Questions About the Claims Process

Here are some questions that employees may ask about disability claims.

When I Report My Claim, What Information Will I Need To Provide?

You will be asked to provide the following information — in addition to other questions about your absence:

- Employer name: State of North Carolina / NCFlex.
- Group Policy number: 758162.
- Name and Social Security number.
- Last day you were at work.
- Nature of claim/medical information.
- Physician's contact information (name, address, phone and fax number).

What Are the Hours of Operation for the Claim Intake Service Center?

If you choose to submit your claim by telephone, The Standard's Claim Intake Service Center representatives are available to assist you Monday through Friday, 8:00 a.m. through 8:00 p.m., Eastern Time.

Where Do I Send the Completed Forms?

Completed forms may be mailed to:

Standard Insurance Company
P.O. Box 2800
Portland, OR 97208

Or if you prefer, you may fax completed forms to our office at **800-378-6053**.

What Can I Expect After I Submit the Completed Forms? Once The Standard receives the required paperwork, which includes the Employee's Statement, Employer's Statement, Attending Physician's Statement and Authorization to Obtain and Release Information, your benefits analyst will contact you to discuss any additional information that may be necessary to complete the processing of your claim and to answer any of your questions.

If My Claim for Benefits Is Approved, How Long Will It Take to Receive My First Check? After the Benefit Waiting Period as outlined in your group policy is completed, benefit payments are paid in arrears on a weekly (STD) or monthly (LTD) basis based on the date of disability and are mailed directly to your residence.

For LTD claims, direct deposit may be established. Benefit payments that are payable for retroactive claims will be paid immediately following claim approval.

Who Should I Call with Questions About My Claim? If you have already filed a claim, please call The Standard's Disability Benefits toll-free number, **833-878-8858** or email your question to **ncflex@standard.com**. If you are looking for general information, please contact your benefit administrator.

Who Is Responsible for Notifying My Employer of My Absence?

It is your responsibility to follow the normal absence reporting procedures by notifying your manager or supervisor of your absence.