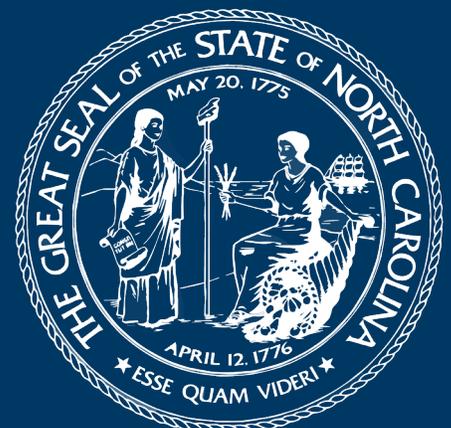


COMBINED DISABILITY PROGRAM

Effective January 1, 2020

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NC FLEX
STATE INSURANCE PLANS



Protect Your Paycheck

Disability programs can replace part of your paycheck if you are unable to work because of an illness, injury, or pregnancy. This booklet will help explain what disability benefits are offered to you including an optional plan you may purchase through NCFlex.

As a State of NC employee, if you participate in the Teachers' and State Employees' Retirement System (TSERS) you are provided with a basic short-term disability (STD) and long-term disability (LTD) coverage at no cost to you. If you are eligible for STD coverage, after you have been disabled for 60 days, the STD plan begins paying you a monthly disability benefit for up to a year. After a year, if you remain disabled and are eligible for LTD coverage, the LTD plan pays a monthly benefit for as long as you qualify as disabled.

Your basic STD and basic LTD benefits are provided to you under the **Disability Income Plan of North Carolina (DIP-NC)**.

Whether you qualify for STD or LTD benefits depends on how many years of creditable service you have as a participant in your retirement plan. In addition, your disability benefits may be limited if you have fewer than five years of creditable service.

You may consider purchasing additional protection in the form of supplemental disability coverage. The NCFlex combined supplemental disability plan does not require you to have any creditable service under your retirement plan before it begins paying benefits. In addition, supplemental disability coverage may increase the amount of benefits you receive each month.

Further details are provided in the following sections.

STD Coverage through DIP-NC

If you have at least one year of contributing membership service in TSERS (earned within the 36 calendar months preceding your disability) and meet all plan requirements, the STD plan will pay you 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 your monthly salary, up to a maximum of \$3,000 per month.

The plan continues to pay this benefit until you are no longer disabled, or 365 days have passed since the beginning of your disability, whichever comes first.

The STD plan benefits are summed up in this table:

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

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

Extended STD Coverage through DIP-NC

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

The Extended STD plan benefits are summed up in this table:

Your Creditable Service as a Participant in TSERS	During This Period of Your Disability	Ext STD Plan Benefit (DIP-NC)
Less than 1 year	For as long as you are disabled	No benefit
1 year or more	2nd year of disability	Following your initial STD period, the plan pays 50% of your monthly salary, up to a maximum of \$3,000 per month ¹

LTD Coverage through DIP-NC

If you have at least five years of membership service in TSERS, the LTD plan will pay you a benefit if you remain disabled for longer than 365 days and are considered permanently disabled.

The LTD plan pays a monthly benefit equal to 65% of your monthly salary, up to a maximum of \$3,900 per month.

The plan continues to pay this benefit until you are no longer disabled, or when you qualify for retirement, whichever comes first. Other rules may apply which may offset or end payments.

The LTD plan benefits are summed up in this table:

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

Although the LTD plan does not pay benefits for disabilities that begin before you have at least five years of service as a participant in your retirement plan, you can purchase supplemental disability coverage to provide a benefit if you become disabled during that time.

¹Offsets may apply. ²See "Length of Long-Term Benefits" in the Disability Income Plan of NC handbook for details on how long benefits may last.

For More Information

For more information about the details of these plans through the DIP-NC, see the Disability Income Plan of North Carolina handbook at www.myncretirement.com/disability.

Supplemental Disability Coverage

Although being a member of TSERS provides you with the basic STD and basic LTD coverage at no cost to you, you may wish to consider purchasing additional protection in the form of supplemental disability coverage. Supplemental disability coverage pays benefits when your basic coverage does not, and increases your overall monthly benefit.

Learn more about the supplemental disability coverage offered by NCFlex through The Standard Insurance Company that includes a combined short term and long term plan, in the following sections.

How the supplemental disability plan works with your basic STD and LTD coverage.

The NCFlex Combined Disability Program includes short term disability, which pays a benefit up to \$750 a week with no offsets following the benefit waiting period. If you are still disabled after 60 days, your claim will transition to long term disability, which pays up to 66⅔% of your salary with offsets for as long as you meet the definition of disability, but not to exceed your normal Social Security retirement age.

This supplemental disability coverage through The Standard begins paying a benefit if you are 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 you must be disabled before you begin receiving benefits.

Generally, the plan supplements whatever basic STD or basic LTD benefit you may be receiving (plus certain other benefits as explained later). For the first 60 days the \$750 a week is on top of anything else you are receiving. After that, your payment is whatever amount is needed to bring your total disability benefit up to 66⅔% - if you are not receiving any other disability benefits or other applicable deductible income, then the supplemental disability plan pays all of the 66⅔% of your monthly salary itself.

In addition, enrolling in the supplemental disability plan increases your maximum possible monthly benefit to \$12,500.

The plan pays benefits for a qualifying disability regardless of how many years of membership service you have as a participant in TSERS. Therefore, it fills in certain “gaps” during which your basic coverage does not pay a benefit.

The table summarizes how the supplemental disability plan works with and supplements the basic STD and basic LTD plans:

Your Service in TSERS	During this Period of Your Disability	Benefits Paid	
		Basic STD Plan and Basic LTD Plan	Supplemental Disability Plan
Less than 1 year	For as long as you are 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 your monthly income, minus deductible income, up to a maximum monthly benefit of \$12,500
1 through 4 years	1st year of disability	STD: After a 60-day waiting period, the plan pays 50% of your 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 your monthly salary, bringing your total benefit to 66⅔% of your monthly salary, maximum monthly benefit of the plan being \$12,500
	Beginning 2nd year of disability and continuing for as long as you are disabled, but not to exceed the maximum benefit period	Extended STD: If disability is temporary but exceeding 1 year, the plan pays 50% of your monthly salary, up to a maximum of \$3,000 per month for the 2nd year only LTD: No benefit	If approved for Ext STD, same benefit as supplemental disability in row above for year 2 or until Ext STD ends. If not approved for Ext STD or after Ext STD ends, the plan pays 66⅔% of your monthly salary, minus deductible income, up to a maximum of \$12,500 per month
5 years or more	1st year of disability	STD: After a 60-day waiting period, the plan pays 50% of your 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 your monthly salary, bringing your total benefit to 66⅔% of your monthly salary, maximum monthly benefit of the plan being \$12,500
	Beginning 2nd year of disability and continuing for as long as you are disabled, but not to exceed the maximum benefit period	LTD: The plan pays 65% of your monthly salary, up to \$3,900	The plan will pay a benefit to make you whole up to 66⅔% of your 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)

Supplemental Disability

The combined Disability Program from NCFlex offers

Short Term Disability (STD)

Covers first 60 days of disability

Long Term Disability (LTD)

Begins on Day 61 of disability

Eligibility

You may enroll in the NCFlex Disability plan if you are a full-time active employee* of a state agency, select community college, or select charter school, working at least 30 hours or more hours per week. If you have questions about your eligibility, contact your Health Benefits Representative (HBR).

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

Short Term Disability

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

What Your 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 you must be disabled before you begin receiving benefits.
How Long Your Benefits Last	60 calendar days from your date of disability.
Benefits Are Paid	Weekly.
Deductible Income (offsets)	There are no offsets to the STD plan, meaning you will not have benefits reduced if you are receiving income from other sources, such as workers' compensation or Social Security.

Additional Features

- **24-hour coverage:** The plan covers disabilities that occur on or off the job.
- **Personal Health Advocate:** While on an approved STD claim, you will have access to a dedicated Personal Health Advocate who can assist you with a wide range of services, such as coordinating health care with specialists and managing billing questions.
- **Reasonable accommodation expense benefit:** Designed to help cover the cost of modifying the workplace to help you stay at work or return to work following a disabling condition.

Please see [page 8](#) for exclusions and limitations.

Long Term Disability

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

*Please see the Important Details section on [page 9](#) for a list of deductible income sources.

<p>What Your Benefit Provides</p> <p>Eligible earnings are your monthly predisability earnings, as defined by the group policy.</p>	<p>The plan will replace up to 66⅔% of your eligible earnings, up to a maximum benefit of \$12,500 per month.</p> <p>Plan minimum per month: \$100 or 10% of the LTD benefit (whichever is greater).</p>
<p>Benefit Waiting Period</p> <p>If you suffer a qualifying disability, your benefit waiting period is the length of time you must be continuously disabled before you can begin receiving your monthly benefit.</p>	<p>60 days.</p>
<p>How Long Your Benefits Last</p> <p>This is the maximum length of time you could be eligible to receive disability benefits for a continuous disability.</p>	<p>Until your Social Security Normal Retirement Age (SSNRA), provided you continue to meet the definition of disability.</p> <p>Depending on your age at the time of disability, your benefit may be subject to a different schedule. Refer to the Maximum Benefit Period table in the <i>Important Details-LTD</i> section on page 8 for details.</p>
<p>Benefits Are Paid</p>	<p>Monthly.</p>

Please see [page 8](#) for exclusions and limitations.

Additional Features

- **24-hour coverage:** Covers disabilities that occur on and off the job.
- **Return to work incentive:** While you are recovering from your disability and if your doctor approves, you may be able to return to work while still receiving disability benefits at a reduced rate. See your Health Benefit Representative (HBR) for details.
- **Reasonable accommodation expense benefit:** This benefit helps modify the work environment to allow you to stay at work or return to work following a disabling condition.
- **Survivor benefit:** If you die while LTD benefits are payable, a survivor benefit may be payable to your beneficiary. The survivor benefit is three times your monthly LTD benefit without reduction by deductible income.

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 your monthly premium payment:

$$\frac{\text{Monthly Earnings* (Yearly base salary divided by 12)}}{\text{Your rate from the table}} \times 100 = \text{Monthly Premium Estimate}$$

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

If you receive biweekly paychecks, take your monthly premium and divide by 2 to get an estimate of your semi-monthly premium.

Note: This calculation is meant to provide an estimate of premium. Actual premium may vary based on your salary provided by your employer and your age on the effective date of your insurance.



Changes in Premium

While insured under the plan, your premiums may change due to the following:

- Change to your salary: If your salary changes while you are insured under the plan, your 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 your salary increase occurs on July 15, increased premiums will be deducted in the next paycheck following August 1.)
- Age band change: If you age out of your current age band while insured under the plan, your 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, 2020, 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, 2021.)

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, you 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 your job) on the day before the scheduled effective date of insurance.

If you are not actively at work on the day before the scheduled effective date of insurance, your insurance will not become effective the first of the month following your first full day of active work as an eligible employee.

Reinstatements are subject to medical underwriting approval. Please contact your Health Benefits Representative (HBR) for more information regarding the requirements that must be satisfied for your insurance to become effective.

Definition of Disability – STD

You will be considered disabled if, as a result of physical disease, injury, pregnancy or mental disorder, you are unable to perform with reasonable continuity the material duties of your own occupation. You are not considered disabled merely because your right to perform your own occupation is restricted, including a restriction or loss of license.

Definition of Disability – LTD

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

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

You are not considered disabled merely because your right to perform your 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, you will be considered disabled if, as a result of physical disease, injury, pregnancy or mental disorder:

- You are unable to perform with reasonable continuity the material duties of any occupation.
- You suffer a loss of at least 40 percent of your predisability earnings when working in any occupation.

Maximum Benefit Period – LTD

If you become 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 you become 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

Exclusions

Subject to state variations, you are not covered for a disability caused or contributed by any of the following:

- Your committing or attempting to commit an assault or felony, or your active participation in a violent disorder or riot.
- An intentionally self-inflicted injury, while sane 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 your professional or occupational license or certification.
- A preexisting condition or the medical or surgical treatment of a preexisting condition unless on the date you become disabled, you have been continuously insured under the group policy for the exclusion period and you have been actively at work for at least one full day after the end of the exclusion period.

Preexisting Condition Provision

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

- For which you 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 you are treatment-free for six consecutive months during the exclusion period, any remaining exclusion period will not apply.

Exclusion Period: 12 months.

Limitations – STD

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

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

Limitations – LTD

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

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

In addition, the length of time you can receive LTD payments will be limited if you reside outside of the United State or Canada.

When Your Benefits End

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

- You are no longer disabled.
- Your maximum benefit period ends.
- Long term disability benefits become payable to you under a LTD plan (applicable to STD only).
- You fail to provide proof of continued disability and entitlement to benefits.
- You pass away.

Deductible Income – LTD

Your benefits will be reduced if you have *deductible income*, which is income you 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 your indexed predisability earnings when added to your 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 your disability from any other group insurance.
- Any retirement or disability benefits you received from your employer's retirement plan.
- Benefits under any state disability income benefit law or similar law.
- Earnings from work activity while you are disabled, plus the earnings you could receive if you work as much as your disability allows.
- Earnings or compensation included in your predisability earnings which you receive or are eligible to receive while LTD benefits are payable.
- Amounts due from or on behalf of a third party because of your disability, whether by judgment, settlement or other method.
- Any amount you receive by compromise, settlement or other method as a result of a claim for any of the above.

When Your Insurance Ends

Your insurance 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 your employer's coverage under the group policy) terminates.
- The date you cease to meet the eligibility requirements (insurance may continue for limited periods under certain circumstances).

Group Insurance Certificate

If coverage becomes effective, and you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage, including the definitions, exclusions, limitations, reductions and terminating events. The controlling provisions will be the group policy. The information presented in this summary does not modify the group policy, certificate or the insurance coverage in any way.



Frequently Asked Questions – Claims

The following questions and answers will help you file a Disability claim with Standard Insurance Company (The Standard). The steps outlined below will enable you to access our efficient claims services quickly and easily.

When Should I Report A Claim?

Report a claim as soon as you believe you will be absent from work beyond 10 business days. If you are uncertain about how long you will be absent or whether you should file a claim or not, we suggest that you file your claim. This offers you some peace of mind and allows for The Standard to begin its review and issue a timely payment if appropriate.

How Do I 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

*Note: Claims cannot be submitted by telephone prior to the effective date of January 1, 2020.

¹ If you file online or by telephone your submission serves as the Employee’s Statement and we will instruct you on which other documents need to be completed.

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

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

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**).³

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 benefits 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.

¹ *If you file online or by telephone your submission serves as the Employee's Statement and we will instruct you on which other documents need to be completed.*

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

³ *It is your responsibility to ensure the Attending Physician Statement is completed and faxed back to The Standard.*

When You Can Enroll

As a New Hire or Newly Benefits-Eligible Employee	As a Current Employee During Annual Enrollment	As a Current Employee If You Have a Qualifying Life Event
You must enroll within 30 days from your date of hire or initial eligibility date.	Annual Enrollment is typically in October of each year.	You must enroll within 30 days of the qualifying event.

How to Enroll

You can enroll in NCFlex benefits in one of two ways:

Online at ncflex.org

Go online to ncflex.org and click the *Enroll Now* button. To log in:

- Select your work location from the list on the left side of the screen; or
- Enter your eBenefits user name and password.

If you've forgotten your user name or password, click *Can't Access Your Account?*.

The enrollment system will walk you through the steps to enroll.

Call 1-855-859-0966

Call the eligibility and enrollment call center at **1-855-859-0966**, Monday – Friday, 8 a.m. – 5 p.m., ET. Call center hours will be extended during annual enrollment until 10 p.m. and will also include some weekend hours. See ncflex.org for details.

NCFLEX
STATE INSURANCE PLANS

NCFlex
www.ncflex.org

Standard Insurance Company (The Standard)

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