



Enrollment Kit

Upper Merion ASD Voluntary Long Term Disability Insurance Enrollment
All Eligible Employees



North Corporate Drive, Suite 300, Brookfield, WI 53045
800.627.3660 | info@NISBenefits.com | www.NISBenefits.com



Long Term Disability Insurance Provides Income Replacement Should You Become Disabled



Most people insure their car, their health and their life. However, almost everything you own is based on your ability to earn an income. Disability insurance allows you to receive a portion of your lost earning should you become disabled.

Just Over 1 in 4 of Today's 20-Year Olds Will Experience a Long Term Disability Before They Retire.¹

Nobody wants to think about a tragic, long term disability. Your employer understands the importance of Long Term Disability insurance, which is why this benefit is being made available to you. Disability benefits can help pay your mortgage, college tuition, medical insurance payments, or more.

In 2019, less than 1% of Americans missed work because of a work-related illness or injury. The most common reasons for disability claims include pregnancy, musculoskeletal disorders, cancer, and injuries such as fractures, sprains, and strains of muscles and ligaments.

More than half a million American families file for bankruptcy every year because they can't pay their medical debt.³

The risk of long term disability during a worker's career is greater than the risk of premature death. Yet most workers would never think of going without life insurance protection for their families.⁴

What about Social Security Disability, Workers' Compensation, and Other Insurance?

- The average national rate of approval for those who applied for Social Security Disability Insurance benefits is 36%.⁵
- Workers' Compensation provides benefits ONLY if a disability is a result of an on-the-job accident, injury, or occupational disease. Less than 1% of workers miss work because of a work related illness or injury.¹
- Unemployment compensation is only for those who are physically and mentally able to work.

Most Common Reasons for Short Term Disability Claims³

- Pregnancies
- Musculoskeletal Disorders
- Fractures, sprains, strains of muscles and ligaments

Most Common Reasons for Long Term Disability Claims³

- Musculoskeletal disorders
- Cancer
- Fractures, sprains, strains of muscles and ligaments

Are There Any Medical Questions or Tests Needed to Qualify for Disability Insurance?

Individual insurance carriers often require medical questions, blood tests and/or a visit with a nurse or physician. With group insurance, the insurance company's risk is lower because it is based on the claims history of the entire group, rather than your personal health history. Therefore, the insurance company is often able to offer a period of time where you can purchase disability insurance without medical questions or tests. Certain conditions may apply.

What Is an "Elimination Period"?

An Elimination Period is the time between when your disability begins and the time you are eligible to receive benefits. No benefits are paid during the Elimination Period.

Your Premiums Are Waived When You Begin to Receive Benefits

While you are disabled, you don't want to worry about paying for your coverage. The Waiver of Premium feature waives your disability insurance premium. This begins as soon as you start receiving disability benefits and continues while you are disabled.

How Is This Plan Different than Short Term Disability Insurance or Sick-Leave Pay?

Short Term Disability insurance and sick-leave plans pay for a specified period of time – typically 6-52 weeks. After the Elimination Period (see above), your Long Term Disability plan will pay benefits for a specified number of months or years if you are unable to work in your current occupation. If you are unable to work in any occupation, you will usually receive benefits to age 65 or later (depending upon the age when you became disabled).

Does Disability Insurance Cover Pregnancy?

Pregnancy, child-birth, and related medical conditions are covered the same as any illness.

1. disabilitycanhappen.org/overview/, Copyright 2022
2. www.disabilitycanhappen.org/disability-statistic/, September 2021
3. www.spendmenot.com/blog/medical-bankruptcy-statistics/, February 2022
4. www.affordableinsuranceprotection.com/odds_of_disability, Accessed February 2022
5. www.ssdrc.com/5-72.html (Copyright 2021)

Administered by:



Corporate Headquarters: 300 North Corporate Drive, Suite 300 Brookfield, WI 53045

Offices Nationwide: 800.627.3660 www.NISBenefits.com

Insured by:



PO Box 5008, Madison, WI 53705

Founded in 1961, Madison National Life is headquartered in Madison, the rapidly growing capital city of Wisconsin. Madison National Life is licensed in 49 states and specializes in group life, disability and specialty health insurance. The company is a wholly owned subsidiary of Horace Mann Educators Corporation (NYSE:HMN), the largest financial services company focused on providing America's educators and school employees with insurance and retirement solutions.

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Group Voluntary Disability Insurance Plan — FAQs

Can I count on sick leave pay and sick leave banks instead of purchasing disability insurance?

Sick leave pay and sick leave banks can be used during a disability, but there are many limitations.

- Younger workers generally have not accumulated enough days to cover an average disability such as a health condition, accident, or pregnancy-related disability.
- On average, more than one in eight disabled employees are out of work for more than five years.¹
- Typically, there are limits on the number of days members can draw from sick leave banks.
- Receiving days from sick leave banks are subject to employer approval, not based on a physician's diagnosis.

What about PSERs disability insurance plan?

PSERs is the Public School Employees Retirement System that has a disability insurance component. You must be working for 5 years before becoming eligible for coverage under this plan. Once covered, the plan has limited benefits.

Could I just take a sabbatical if I became disabled?

Yes, however similar to the sick banks, your leave must be board approved, rather than approved by a physician. You also must be working for 7 years to be eligible, which may not include newer employees. Also, the sabbatical requires you to return to work, which means if you were permanently disabled, you could not use a sabbatical.

What about Social Security, Workers Comp and other insurance plans?

- Only 36% of the 2.8 million workers who applied for Social Security Disability Insurance benefits in 2021 were approved.²
- Workers' Compensation provides benefits ONLY if a disability is a result of an on-the-job accident, injury or occupational disease. Close to 90% of disabling accidents and illnesses are not work related.³
- Health Insurance covers medical services and prescriptions; but it doesn't help you cover your standard expenses if you cannot work.
- Unemployment Compensation is for those who are physically and mentally able to work.

Am I eligible for this coverage?

You are eligible for this plan if you are an active employee of Upper Merion School District working a minimum of 20 hours per week.

¹ www.protectyoubetter.org/Research-Center/Disability-Insurance.aspx

² <https://www.ssdrc.com/5-72.html>

³ Council for Disability Awareness, www.disabilitycanhappen.org/wp-content/uploads/2019/05/DIAM2019_Facts.pdf



Group Voluntary Disability Insurance Plan — FAQs

Are there any medical questions?

If you are a new hire or a newly eligible employee, you can purchase this plan without medical questions or tests if the following conditions apply to you:

- If you enroll within 31 days from your date of hire or eligibility date
- If at least 25% of all eligible employees are enrolled

If you enroll late, wish to change the plan option you are currently enrolled in (moving to a lower elimination period), or if less than 25% of eligible employees have enrolled, you will need to complete the medical questionnaire. Please note that coverage may be denied based upon your answers to the medical questions.

What is the Medical Premium Expense Benefit (MPEB)?

This policy includes a feature called MPEB. If you become totally disabled for more than 60 days, are still covered under your employer's health insurance and are receiving regular medical care, MPEB will contribute up to \$500 per month toward your monthly health insurance premium payments for which you are responsible for up to 17 months.

What is an "elimination period?"

An elimination period is the time between when your disability begins and the time you are eligible to receive benefits. No benefits are paid during the elimination period. There are several elimination period options to choose from.

Is income tax withheld from my benefit payments?

If you pay for this insurance with post-tax dollars, the benefit is not subject to income tax. Please see your tax adviser for complete advice.

Do I have to continue to pay the insurance premium after I become disabled?

The Waiver of Premium feature waives your disability insurance premium payment during a disability. This begins as soon as you start receiving benefits and continues while you are disabled.

What if I earn income while I'm disabled such as Social Security income?

As with most disability insurance plans, benefits are reduced by other income you may receive during a disability, including employer-sponsored sick leave pay, Social Security or a State Retirement Disability benefit plan.

How much coverage is available?

Long Term Disability benefits replace a fixed percentage of your salary - typically 50-60% - up to a maximum monthly amount. See the cost calculation sheet enclosed to view the coverage options, rates and maximum monthly benefit.



Rates and Cost Calculation

Your Plan Benefits

Option	Elimination Period	Percent of Salary	Maximum Monthly Benefit	Benefit Duration	Rate	MPEB Annual Cost
1	14 consecutive calendar days before benefits kick in	60% of salary covered	\$5,000	To age 65 with a reducing benefit duration	\$0.0144	\$30.24
2	30 consecutive calendar days before benefits kick in	60% of salary covered	\$5,000	To age 65 with a reducing benefit duration	\$0.011	\$30.24
3	60 consecutive calendar days before benefits kick in	60% of salary covered	\$5,000	To age 65 with a reducing benefit duration	\$0.0061	\$30.24
4	90 consecutive calendar days before benefits kick in	60% of salary covered	\$5,000	To age 65 with a reducing benefit duration	\$0.0053	\$30.24
5	180 consecutive calendar days before benefits kick in	60% of salary covered	\$5,000	To age 65 with a reducing benefit duration	\$0.00425	\$30.24

Calculate Your Monthly Cost



To calculate your monthly payment, take your annual salary amount and multiply it by the rate. Add the annual MPEB cost.



Then, divide that number by 12. This gives you your total cost per month.

Benefit Duration

Age at Disablement	Benefit Duration (in years)
61 or younger	To age 65
62	3.5
63	3
64	2.5
65	2
66	1.75
67	1.5
68	1.25
69 and over	1

Please note: Rates are subject to change.



Upper Merion Voluntary Disability Plan Highlights

- Covers pregnancy and mental illness
- No medical questions if enrolled during initial offering and participation levels are met
- Voluntary, member-paid, group rates
- Statewide plan: Rates pooled with other Pennsylvania school entities
- Flat rates – do not increase with age

Group Voluntary Disability Plan Options:

#1	14 calendar days before benefits kick in	60% of salary covered	-Sick Leave benefits reduced by sick leave pay	SSNRA* Max benefit period	\$100,000 Max annual salary	\$5,000 Max monthly benefit
#2	30 calendar days before benefits kick in	60% of salary covered	-Sick Leave benefits reduced by sick leave pay	SSNRA* Max benefit period	\$100,000 Max annual salary	\$5,000 Max monthly benefit
#3	60 calendar days before benefits kick in	60% of salary covered	-Sick Leave benefits reduced by sick leave pay	SSNRA* Max benefit period	\$100,000 Max annual salary	\$5,000 Max monthly benefit
#4	90 calendar days before benefits kick in	60% of salary covered	-Sick Leave benefits reduced by sick leave pay	SSNRA* Max benefit period	\$100,000 Max annual salary	\$5,000 Max monthly benefit
#5	180 calendar days before benefits kick in	60% of salary covered	-Sick Leave benefits reduced by sick leave pay	SSNRA* Max benefit period	\$100,000 Max annual salary	\$5,000 Max monthly benefit

**The maximum benefit period is the later of age 65 or the day before attaining the Social Security Normal Retirement Age (SSNRA) as stated in the 1983 revision or any later revision of the United States Social Security Act. The maximum benefit period does reduce according to a standard reduction schedule, if the onset of disability occurs at age 60 or later.*



Exclusions and Limitations

- The policy will not cover any disability: caused by, contributed to by, or resulting from a pre-existing condition which begins in the first 12 months after your effective date. "Pre-existing condition" means a mental or physical condition whether or not diagnosed or misdiagnosed for which you 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 at any time during the 3 months prior to your effective date. If you are: disabled due to a pre-existing condition on the day which is 12 months after your effective date; and after that day, return to active service for at least 5 days in a row; and again become disabled due to the same pre-existing condition; then this pre-existing condition exclusion shall not apply to the new period of total disability.
- The policy does not cover any disability:
 - a. due to war, declared or undeclared, or any act of war,
 - b. due to any act of international armed conflict or conflict involving the armed forces of any country,
 - c. due to your attempted suicide or as a result of your intentionally self-inflicted injuries while sane or insane,
 - d. due to your imprisonment while confined in a penal or correctional institution or under house arrest,
 - e. as a result of your committing of or attempting to commit a felony,
 - f. as a result of your engaging in an illegal activity or actively participating in a violent disorder or riot.
- Mental Disorders and Substance Abuse
 - a. LTD Benefit payments based on a Mental Disorder or Substance Abuse are limited to 24 months for each period of continuous Disability unless institutionalized.
 - b. If the Insured Person's Disability is caused by Substance Abuse, he or she must be participating in an available rehabilitative program recommended by a Physician.
- Foreign Residency. Payment of LTD Benefits is limited to 6 months for each period of continuous Disability while the Insured Person resides outside of the United States or Canada.
- Payment Limit. In no event will the LTD Benefit plus Deductive Income plus Work Earnings exceed 100% of Predictability Earnings.

Return Forms to: Human Resources

Address Questions to: Joe Walsh, Hillendale Associates, 610-416-3944

Administered By:



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Offices Nationwide: 800.627.3660 www.NISBenefits.com

Underwritten By:



PO Box 5008, Madison, WI 53705

This is a brief description of disability insurance. For complete details, including all benefits, exclusions, and limitations, refer to the Certificate form number GLDI-C200-(12/06) as issued to your employer.

Founded in 1961, Madison National Life Insurance Company, Inc. is headquartered in Madison, the rapidly growing capital city of Wisconsin. Madison National Life is licensed in 49 states and specializes in group life, disability and specialty health insurance. The company is a wholly owned subsidiary of Horace Mann Educators Corporation (NYSE:HMN), the largest financial services company focused on providing America's educators and school employees with insurance and retirement solutions.



Insurance Benefit Enrollment Form

Return to: National Insurance Services, Attn: Billing Department
300 N. Corporate Drive, Suite 300, Brookfield, WI 53045
Phone: 1.800.627.3660 Fax: 262.814.1397



All Eligible Employees

Enter your information:

Employer Name: Upper Merion Area School District		NIS Group Number: 012665	
Full Name (Last name, First name, Middle Initial):		Date of Hire:	
Home Address:	City:	State:	Zip:
Social Security Number:	☐ Single ☐ Married	U.S. Citizen? ☐ Yes ☐ No*	Date of Birth: ☐ Male ☐ Female
Occupation/Title:		Hours worked per week:	Annual Salary:

*If you are not a U.S. Citizen, please provide a copy of your Visa.

Insurance benefits:

Optional Insurance Benefits:

☐ Elect	☐ Decline	Voluntary Long-Term Disability Insurance Select an option:		
		☐ Option 1: 14 Day Elimination	60% of salary covered	benefits payable to age 65 with a reducing benefit duration
		☐ Option 2: 30 Day Elimination	60% of salary covered	benefits payable to age 65 with a reducing benefit duration
		☐ Option 3: 60 Day Elimination	60% of salary covered	benefits payable to age 65 with a reducing benefit duration
		☐ Option 4: 90 Day Elimination	60% of salary covered	benefits payable to age 65 with a reducing benefit duration
		☐ Option 5: 180 Day Elimination	60% of salary covered	benefits payable to age 65 with a reducing benefit duration

Sign here (required whether electing or declining any coverage):

I have been given the opportunity to apply for group insurance and agree to accept or decline coverage(s) as noted above. If I am declining coverage(s), I understand that if my dependents or I decide to apply for coverage at a later date, Evidence of Insurability (medical questions) may be required at my own expense and the insurance company must approve coverage. If I have elected any coverage(s) above, I authorize my employer to make any required deductions, if any, from my salary to pay my portion of the insurance premium when my insurance becomes effective.

Warning: Any person who knowingly presents false information on an application for insurance may be guilty of a crime and subject to fines, confinement in prison, and/or denial of insurance benefits.

Signature:	Date:
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Instructions for the employee: Complete, make a copy and return the original form to your benefits administrator

Instructions for the Benefits Administrator: Retain a copy of this form for your records. Mail original to National Insurance Services at the address above.

Address Questions to: Joe Walsh, Hillendale Associates, jwalsh@usebsg.com; 610-416-3944