
SECTION D



LONG TERM DISABILITY (LTD) INSURANCE

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D. LONG TERM DISABILITY (LTD) INSURANCE



The Management Benefits Fund provides eligible *active members* with Long Term Disability (LTD) Insurance fully paid for by the Fund. This benefit is intended to partially protect active employees against loss of income because of a total or partial disability that exceeds a period of six continuous months.

Fund eligibility and enrollment requirements for active employees are outlined in the “Fund Eligibility and Membership” section of this booklet. Retired members are not eligible to receive LTD coverage. However, any claims or benefit payments in progress for a disability which occurred prior to retirement will continue.

Please refer to page D.5 for definitions on the italicized words in this section.

WHEN COVERAGE BEGINS

Coverage begins on the date you are appointed to an approved title or on the date your title is approved for inclusion in the Fund and provided you are *actively at work*. If you are not actively at work on the day you would normally become eligible, you are eligible on the first day you are actively at work. The actively at work requirement is waived for employees not actively at work on the effective date for reasons other than disability, injury, or sickness.

WHEN COVERAGE TERMINATES

Your coverage ends when any of the following events occur:

- You go off active pay status;
- Your title is made eligible for collective bargaining;
- You are appointed to a title which is eligible for collective bargaining;
- You leave active service, except:

If your active service terminates because of injury or sickness for which disability benefits are or may become payable, your eligibility for benefits for this disabling injury or sickness will continue during the *Benefit Waiting Period* and will not terminate until the end of the period for which monthly benefits are payable.

WHAT ARE THE BENEFITS

Long Term Disability benefits are payable when you are **totally or partially disabled** due to a sickness or accidental bodily injury which extends continuously throughout a six-month period or longer.

Benefits start after six months of continuous disability. The amount of benefits is 66 2/3% of your *pre-disability Basic Monthly Earnings*, subject to a maximum benefit of \$5,000 per month, and a minimum benefit of \$150 per month. These benefits will be reduced by income from other sources. (See the General Provisions section.) The minimum benefit, however, is always payable.

Note: If you were approved for Long Term Disability benefits prior to January 1, 1999, your benefits will be continued at 50% of your basic monthly earnings. If you were approved for Long Term Disability benefits by Prudential after January 1, 1999, your benefits will be 66 2/3% of basic monthly pre-disability earnings effective July 2001.

If you are disabled for six months or more and receive benefits under this coverage, upon your death, a benefit equal to six times the scheduled monthly benefit will be paid in a lump sum to your surviving spouse or children under age 25. If there is no surviving spouse or children under age 25, no benefit will be paid.



DURATION OF BENEFITS

Benefits are payable as long as your condition satisfies the definition of total disability or partial disability under the plan.

If Disabled	Maximum Duration of Benefits
- Prior to age 60	To Normal Retirement Age*
- Age 60-65	5 Years
- Age 66	4 Years
- Age 67	3 1/2 Years
- Age 68	3 Years
- Age 69	2 1/2 Years
- Age 70	2 Years
- Age 71	1 3/4 Years
- Age 72	1 1/2 Years
- Age 73	1 1/4 Years
- Age 74 and older	1 Year

* Normal Retirement Age is defined by the Social Security Act where your retirement age is dependent upon your date of birth and may range from 65 to age 67.

WHAT IS TOTAL DISABILITY

The term “total disability” means that during the first 24 months of benefits, you are unable, due to sickness or accidental bodily injury, to perform the material and substantial duties of your occupation. Thereafter, the term means you are unable to perform the material and substantial duties of any occupation for which you are reasonably fitted by education, training or experience. To be considered totally disabled, you must be under the regular care of a doctor and not working at any job for wage or profit

WHAT IS PARTIAL DISABILITY

Partial disability is when, due to sickness or accidental bodily injury, you are unable to perform your job on a full-time basis, but can work at your own job on a part-time basis or at another occupation on either a part-time or full-time basis, and do not earn more than 80% of your pre-disability earnings. The partial disability benefit paid will equal the percentage of your pre-disability basic monthly salary lost, times the benefit which would have been payable if you were totally disabled. If, however, your earnings are less than 20% of your pre-disability earnings, benefits will be paid as if you were totally disabled. This benefit will not be less than \$150 per month.

Each July 1, the lesser of the percentage increase in the Consumer Price Index of the prior year or 10% will be added to your pre-disability earnings figure. However, there is no limit on the number of increases you can receive up to a maximum of \$5,000. You must, however, be partially disabled on that date and have been disabled for the 12 months prior to July 1. Any cost-of-living increase to other periodic benefits, i.e., Social Security, pension, or workers’ compensation, which occurs after you begin receiving LTD benefits will **not** be used to reduce the monthly disability benefit.

GENERAL PROVISIONS

Offset of Income from Other Sources

Your disability benefits will be reduced by the following other income items for the same period, such as:

- Loss of time disability benefits where the City or State has paid all or part of the cost or made payroll deductions;
- Disability or retirement benefits payable under the Federal Social Security Act on your behalf;
- Retirement benefits from the City or State, to the extent that they are funded by employer contributions, including early retirement benefits;
- Any salary or wage continuance payments made to you by the City or State;
- Loss of time disability benefits payable under a workers’ compensation law, occupational disease law or similar law;
- Statutory (state) disability benefits.

Any cost of living increase to these periodic benefits which occurs after you begin receiving LTD Benefits will not be used to reduce the monthly benefit. Your benefit will not be affected by income received on account of military service, vacation pay, the Deferred Compensation Plan or benefits received under any individual insurance policies paid for entirely by you.



Social Security and Workers' Compensation

If you are covered under the Federal Social Security Act, Prudential will reduce your monthly benefits by a Social Security disability benefits estimate, unless you submit proof to Prudential that you have applied for Social Security disability benefits and sign Prudential's Reimbursement Agreement promising to repay any overpayment on your LTD claim due to Social Security disability benefits.

Any cost-of-living increase in the amount of disability or retirement benefits payable under Social Security will be disregarded if the increase becomes effective after your disability benefits become payable.

Your monthly benefit will be reduced by any periodic or lump sum payment provided on account of your disability for loss of wages under or on account of any workers' compensation law, occupational disease law or similar law, and amounts realized in conjunction with any compromise or release of claim under such law. Any lump sum payment will be considered to have been payable in monthly payments equal to the amount you would have received under the applicable law if there had been no lump sum award and will reduce your monthly benefits until completely exhausted.

Any lump sum payment will be considered to have been made solely for loss of time disability benefits unless otherwise stated in the award.

How to File for Social Security Disability Benefits

In order to receive disability benefits through Social Security, you must apply at your local Social Security office once you become disabled. These benefits are not paid automatically. You may be eligible for these benefits once you have been disabled for five months.

Often, LTD recipients are not immediately accepted as disabled when applying for Social Security disability benefits. Because proper third party representation throughout the LTD process greatly increases the chances of a Social Security award being made, Prudential may be available to help you apply for benefits. If you are receiving LTD benefits and Social Security has not accepted you as disabled, Prudential may assist you in pursuing your Social Security disability claim.

Because Social Security's definition of disability differs from the Fund's definition, many claimants entitled to benefits from the Fund may not be eligible or immediately eligible for benefits from Social Security. There are, however, several advantages if you receive Social Security disability benefits. These advantages include:

- You are eligible for Medicare insurance after two years of Social Security disability benefits.
- You will receive full Social Security disability benefits if the Social Security benefit is as large or larger than the Fund's LTD benefits.
- You are able to maintain your pre-disability wage level for determining the amount of the Social Security retirement benefit payable at retirement.

Pre-existing Conditions

A *pre-existing condition* is an accidental injury or sickness which is diagnosed, treated, or has caused expenses to be incurred during the 90-day period immediately preceding your LTD coverage effective date. No benefit will be paid for any disability that arises during the first year of LTD coverage and is due to a *pre-existing condition*.

Annual Leave or Sick Leave Pay

During the first six months of disability all accrued annual leave must be used. If unused sick leave exists beyond the 6-month waiting period, (1) sick leave can either be continued to be paid to you, in which case no Long Term Disability benefits are payable; or (2) sick leave can be left unused with Long Term Disability benefits payable.

Benefit Duration for Mental and Nervous Conditions:

Benefits are payable for up to 24 months per period of disability caused, at least in part, by alcoholism, drug abuse, or a mental, psychoneurotic or personality disorder. If you are confined in a hospital at the end of this 24-month period, benefits will continue if you remain totally disabled.



These benefits will not continue beyond the maximum benefit duration. A hospital must be accredited under the Hospital Accreditation Program of the Joint Commission on Accreditation of Health Organizations. A nursing home, convalescent center, home for the aged or similar institution is not considered a “hospital.”

Pregnancy

Disability resulting from pregnancy will be considered the same as any other disability.

Benefits for Expenses for Rehabilitation

While disabled and receiving benefits, you may participate in a rehabilitation program to help you return to full-time employment. Benefits may be available under this provision, with Prudential’s approval, to pay some of the expenses associated with rehabilitation.

Recurrence

If you return to work full-time for **less than six months** and again become disabled for the **same** condition, benefits will be payable immediately. This does not apply if you become disabled due to a different condition or if you become covered under a different plan during the six-month period.

Extension of Benefits

If a disability for which monthly benefits are payable commences while this Plan is in force, benefits will be payable after termination of the Group Policy to the same extent as if the policy had not terminated.

Limitations

Payment will not be made under this plan for any disability:

- a. which is a result of war (declared or undeclared) or resistance to armed aggression;
- b. arising from an intentional, self-inflicted injury or attempted suicide;
- c. if you are not under the care of a legally licensed physician; or
- d. that arises during the first year of the employee’s LTD coverage due to a *pre-existing condition*. (This limitation is waived for members covered under the LTD plan prior to January 1, 1999.)

In addition, no benefit will be paid for any period of disability that occurs while you are confined in a prison or other house of correction due to a conviction in a court of law.

HOW OTHER FUND BENEFITS ARE AFFECTED BY DISABILITY

The table below summarizes the affect of total disability on your Fund benefits

<p>Basic Life Insurance</p>	<p><u>Disability occurring before age 60:</u> The Fund will continue your Basic Life Insurance as long as you remain totally disabled, even if on disability retirement. Once approved, Basic Life Insurance is continued at no cost to you for up to one year after the date you cease to be on City payroll. Cost-free protection may continue after that date provided you submit continued proof of disability.</p> <p><u>Disability occurring on or after age 60:</u> The Fund will continue your Basic Life Insurance for up to one year only. After this time, you have the option to convert to an individual policy. Please contact Prudential at 1-877-889-2070.</p>
<p>Group Universal Life (GUL) Coverage</p>	<p>Your disability has no effect on GUL coverage. You may continue GUL coverage, with the insurer billing you directly for premiums.</p>
<p>Superimposed Major Medical Plan (SMMP), Dental and Vision Care Benefits & Basic City Health Benefits</p>	<p>If you are certified as disabled under the LTD program and your coverage ends (for reasons other than reaching the maximum benefits), the Fund will extend benefits beyond the termination date. Full benefits coverage will continue under the Basic City Health Benefits Program and the Fund’s SMMP, Dental and Vision Care programs on behalf of you and your eligible dependents. Under this extended benefit provision, coverage may be continued until (a) 29 months from the date of disability, (b) Medicare benefits commence, or (c) you return to work, whichever is earliest. If the City approves you for retirement and you are eligible for pension benefits, benefits will automatically continue throughout retirement.*</p>
<p>Fund Survivor Benefits</p>	<p>Once you are totally disabled, your dependents’ eligibility for the Fund Survivor Benefits Program ceases unless you are receiving a disability or service pension and continue Fund membership as a retiree.</p>

* To be eligible for extended Dental and Vision Care benefits, you must be (a) approved for LTD on or after January 1, 2004, or (b) covered for these benefits under COBRA prior to January 1, 2004.



DEFINITIONS

Active Member

A Management Benefits Fund member who is on active pay status.

Actively at Work

A requirement that you are actively at work on a full-time basis at the Employer's business, or at any other place that the Employer's business requires you to go, performing the regular duties of your position in an active pay status.

Basic Monthly Earnings

Your rate of pay, excluding overtime, bonus or additional compensation, for your normal work month.

Benefit Waiting Period

The Benefit Waiting Period commences when you become disabled and continues for a six-month period, or until disability ceases, whichever is earlier.

Pre-existing Condition

Accidental injury or sickness, which is diagnosed by a doctor or for which any charges were incurred for prescription drugs or treatment that was rendered during the 90 days immediately preceding your LTD coverage effective date.

CONVERSION

Conversion to an individual policy of insurance is not available.

CLAIM PROCEDURES

You may obtain claim forms needed to file for benefits under this policy by contacting the Fund Administrative Office at 1-212- 306-7290, TTY 1-212- 306-7629, if hearing impaired, or if outside New York City 1-888-4000 MBF (1-888-400-0623).

The completed claim forms and supporting documents should be returned to the Fund Administrative Office.

APPEAL OF DENIED CLAIMS

In the event a claim has been denied in whole or in part, you can request a review of the claim by Prudential. This request for review should be sent to The Prudential Insurance Company of America, Disability Management Services, P.O. Box 13480, Philadelphia, PA 19176 within 180 days after you receive notice of claim denial. When requesting a review, please state the reason you believe the claim was improperly denied and submit any data, questions or comments you deem appropriate.

Prudential will re-evaluate all the information and you will be informed of the decision in a timely manner.

FUTURE OF THE PLAN

It is hoped that the Group Long Term Disability Insurance will be continued indefinitely, but the Management Benefits Fund reserves the right to change or terminate the Plan in the future. Any such action would be taken only after careful consideration.

INSURER

The insurance briefly described in this booklet is insured by The Prudential Insurance Company of America, Prudential Plaza, Newark, NJ 07102 under group contract form series 83500 for the Management Benefits Fund. If there is any discrepancy between this document and the Group Contract issued by Prudential, the terms of the Group Contract will govern. To obtain a copy of the Group Contract, please contact the Fund at 1-212-306-7290, or 1-888-4000 MBF if outside New York City, or at (TTY) 1-212-306-7629 if hearing impaired. This policy provides DISABILITY INCOME insurance only. It does not provide basic hospital, basic medical or major medical as defined by the New York State Insurance Department.



