



The Standard®
Positively different.

Voluntary Short Term Disability Insurance

FOR GOVERNMENT OF THE DISTRICT OF COLUMBIA EMPLOYEES

Answers to your questions about coverage from Standard Insurance Company



STANDARD INSURANCE COMPANY

About This Booklet

This booklet is designed to answer some common questions about the group Voluntary Short Term Disability (STD) insurance coverage being offered by your *employer* to eligible employees. It is not intended to provide a detailed description of the coverage.

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 in the *group policy* issued by Standard Insurance Company. Neither the certificate nor the information presented in this booklet modifies the *group policy* or the insurance coverage in any way. If you have additional questions, please contact your human resources representative.

Please note that defined terms and provisions from the *group policy* are italicized in this booklet. Features of the group Voluntary STD insurance coverage may vary by state.



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Voluntary Short Term Disability Insurance Features

Chances are you already purchase home, auto and life insurance to protect yourself against the threat of loss. And you probably have health insurance to guard against costly medical bills.

So, what steps have you taken to help shield yourself, your lifestyle and those who count on you from an unexpected loss of income? Would you be able to meet your financial obligations if you became disabled and unable to work?

STD insurance is designed to pay a weekly benefit to you in the event you cannot work because of a covered illness or injury. This benefit replaces a portion of your income, thus helping you to meet your financial commitments in a time of need.

By sponsoring group Voluntary STD insurance from Standard Insurance Company, your employer offers you an excellent opportunity to help protect yourself and your lifestyle. The advantages to you include:

Convenience - With premiums deducted directly from your paycheck, you don't have to worry about mailing monthly payments.

Savings - Typically, group insurance rates are lower than the rates of individual insurance plans, generally providing you with coverage at a lower cost.

Peace of Mind - You can take comfort and satisfaction in knowing that you have taken a step toward securing your income during a period of disability.

Commonly Asked Questions

The following information provides details to give you a better understanding of group Voluntary STD insurance available from The Standard. Written in non-technical language, this is not intended as a complete description of the coverage.

Do I need STD insurance?

If you are not certain that you need STD coverage, consider if you would be able to meet your financial obligations if you became disabled and unable to work for an extended period of time. The risk of disability may be greater than you think. Recent statistics have shown:

- On the average, about 2,329 disabling injuries occur every hour during the year. (Source: National Safety Council, *Injury Facts*, 2003)
- 21.3 million or 11.9 percent of all Americans aged 16 to 65 have a disabling condition that affects their ability to work at a job or business. (Source: US Census Bureau, *Disability Status: 2000*, March 2003)
- Nearly one person in five, about 49.7 million Americans, has some type of long lasting condition or disability. (Source: US Census Bureau, *Disability Status: 2000*, March 2003)

If you depend on your regular paycheck to pay your bills, what would happen if you became sick and couldn't work? Voluntary STD insurance from The Standard may be part of the solution.

Am I eligible for this coverage?

To be a *member* and eligible for the Voluntary STD insurance coverage, you must be:

- An active employee of Government of the District of Columbia who is in a permanent bargaining and non-bargaining executive level, and is either a full-time or part-time permanent employee, excluding, temporary and seasonal employees, full-time members of the armed forces, leased employees and independent contractors
- Regularly working at least 20 hours each week
- A citizen or resident of the United States or Canada

When is the Government of the District of Columbia's Voluntary STD plan effective?

The effective date of the Voluntary STD coverage is January 1, 2007. We encourage you to consider this opportunity to apply for the Voluntary STD coverage.

When does my insurance go into effect?

The Voluntary STD coverage goes into effect, when you become an eligible *member*, when you apply and whether you are required to provide *evidence of insurability*.

If you are **not** required to provide *evidence of insurability*, if you apply and agree to pay premiums, your Voluntary STD coverage becomes effective on:

- The date you become eligible if you apply on or before that date or
- The date you apply if you apply within 31 days after you become eligible. You may be subject to a *late enrollment penalty* if you do not apply within 31 days after you become eligible.

If you are required to provide *evidence of insurability*, if you apply and agree to pay premiums, your Voluntary STD coverage becomes effective on the date The Standard approves your *evidence of insurability*.

In every case, you must meet the *active work* requirement before your insurance becomes effective.

What is the active work requirement?

Active work means performing with reasonable continuity, the *material duties* of your *own occupation* at your *employer's* usual place of business. You must be capable of *active work* on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are not *actively at work* on the day before the scheduled effective date of insurance, your insurance will not become effective until the day after you complete 1 full day of *active work* as an eligible employee.

What if I don't apply for this coverage now?

If you do not apply for coverage within 31 days of the date you become eligible, a *late enrollment penalty* applies. This means that if you file a claim for anything other than an accidental injury during the first 12 months after your coverage becomes effective, *STD benefits* will become payable after you have been continuously *disabled* for 60 days and remain *disabled*.

When am I considered disabled?

During the *benefit waiting period* and to the end of the *maximum benefit period*, you are 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
- You suffer a loss of at least 20 percent of your *indexed predisability earnings* when working in your *own occupation*.

You are not *disabled* merely because your right to perform your *own occupation* is restricted, including a restriction or loss of license. You may work in another occupation while you are *disabled* from your *own occupation*, however, you will not be considered *disabled* when your *work earnings* from another occupation exceed 80 percent of your *predisability earnings*.

When do STD benefits become payable?

If you become *disabled* and your claim for *STD benefits* is approved by The Standard, *STD benefits* become payable after the *benefit waiting period*. This is a specified number of days during which you must remain continuously *disabled*. *STD benefits* are not payable during the *benefit waiting period*. The *benefit waiting period* is indicated below:

Cause of <i>Disability</i>	Benefit Waiting Period
Accidental <i>injury</i>	20 days
<i>Physical disease, pregnancy or mental disorder</i> *	20 days

*If the *late enrollment penalty* applies, the *benefit waiting period* for *disability* caused by *physical disease, pregnancy or mental disorder* is 60 days during the first year you are insured under the Voluntary STD plan.

How much is the STD benefit amount?

Your weekly *STD benefit* is 66²/₃ percent of your insured *predisability earnings* reduced by *deductible income*. The plan minimum and maximum *STD benefit* amounts are indicated below:

Plan maximum weekly <i>STD benefit</i>	Plan minimum weekly <i>STD benefit</i>
\$ 1,154	\$15

How is the STD benefit amount calculated?

The *STD benefit* amount is determined by multiplying your insured *predisability earnings* by the specified benefit percentage. This amount is then reduced by other income you receive or are eligible to receive while *STD benefits* are payable. This other income is referred to as *deductible income*.

In the example below, the *STD benefit* amount is 66²/₃ percent of insured *predisability earnings*. If your weekly earnings (or *predisability earnings*) before becoming *disabled* were \$500, your weekly *STD benefit* would be calculated as follows:

Insured <i>predisability earnings</i>	\$500.00
<i>STD benefit</i> percentage	x 66 ² / ₃ %
	\$333.50

What are predisability earnings?

Predisability earnings are your weekly rate of earnings from your *employer* and typically include:

- Salary
- Commissions averaged over the preceding 52-week period or over the period of employment if less than 52 weeks
- Shift differential pay
- Contributions you make through a salary reduction agreement with your *employer* to an IRC Section 401(k), 403(b), 408(k), 408(p) or 457 deferred compensation arrangement, or an executive nonqualified deferred compensation arrangement
- Amounts contributed to fringe benefits according to salary reduction agreements under an IRC Section 125 plan

Predisability earnings generally exclude bonuses, overtime pay, your *employer's* contribution to a deferred compensation arrangement or pension plan or any other extra compensation. They are based on your earnings in effect on the last full day of *active work*. Please contact your human resources representative for additional information regarding what is included in *predisability earnings*.

What is deductible income?

Deductible income is income you receive or are eligible to receive while *STD benefits* are payable. It is used to reduce the amount of your *STD benefit*. It includes, but is not limited to, the following:

- Amounts under any unemployment compensation law, state disability income benefit law or similar law
- Disability benefits from any other group insurance
- Disability or retirement benefits under your *employer's* retirement plan
- Earnings from work activity while you are *disabled*, plus the earnings you could receive, if you worked as much as you are able considering your *disability*
- Earnings or compensation included in your *predisability earnings* and which you receive or are eligible to receive while *STD benefits* are payable
- Amounts due from or on behalf of a third party because of your *disability*
- Any amount you receive by compromise, judgment, settlement or other method as a result of a claim for any of the above

What is the maximum benefit period?

If you become *disabled*, *STD benefits* may continue during *disability* up to 180 days. This is the maximum period for which *STD benefits* are payable for any one period of continuous *disability*. If you are eligible to receive benefits under any other disability plan, your *STD benefits* will end when the other disability benefits become payable, even if this occurs before the end of the *maximum benefit period* for the *STD benefits*.

When do STD benefits end?

STD benefits end automatically on the earliest of:

- The date you are no longer *disabled*
- The date your *maximum benefit period* ends
- The date you die
- The date benefits become payable under any other disability plan under which you become insured through employment during a period of *temporary recovery*
- The date long term disability (LTD) benefits become payable to you under an LTD policy sponsored by your employer
- The date you fail to provide proof of continued *disability* and entitlement to benefits

What are some of the other features of this coverage?

This STD coverage has the following features:

- If premium payments are made with “after-tax” dollars, *STD benefits* are federally tax-free under current federal tax law.
- If your employer makes an approved work-site modification that enables you to return to work while *disabled*, The Standard will reimburse your employer up to a pre-approved amount for some or all of the cost of the modification.
- If the *group policy* terminates, *STD benefits* will continue as long as you are eligible to receive them.

What exclusions apply to this coverage?

You are not covered for a *disability* caused or contributed to by any of the following:

- Your involvement in any employment for wage or profit
- 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

What limitations apply to this coverage?

STD 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 and earn at least 20 percent of your *indexed predisability earnings* in your *own occupation*, but you elect not to work
- Receiving personal leave pay or other salary continuation, including donated amounts from your *employer*

When does my Voluntary STD insurance coverage end?

The Voluntary STD insurance ends automatically on the earliest of the following:

- The date the last period ends for which you make a premium contribution
- The date your employment terminates
- The date the *group policy* terminates
- The date you cease to be a *member*, however, insurance may continue for limited periods under certain circumstances as described in the *group policy*
- If applicable, the date your *employer* ceases to participate under the *group policy*

How much will the Voluntary STD coverage cost?

The monthly premium rates per \$100 of monthly covered payroll for the group Voluntary STD coverage are indicated in the table below.

Employee age on last January 1	Monthly premium rate per \$100 of monthly covered payroll
Age 17 to 49	\$ 0.93
Age 50 to 69	\$ 1.26

To calculate the bi-weekly payroll deduction for your Voluntary STD coverage, use the rates above and the formula below:

1. Enter your monthly predisability earnings, not to exceed \$7,500, divided by 100 and enter on Line 1. Line 1: _____
2. Select your rate from the rate table and enter on Line 2. Line 2: _____
3. Multiply Line 1 by the amount shown on Line 2 and enter on Line 3. Line 3: _____
4. Multiply Line 3 by 12 and enter on Line 4. Line 4: _____
5. Then divide Line 4 by 26 and enter on Line 5. Line 5: _____

The amount shown on Line 5 is your estimated bi-weekly payroll deduction for a weekly STD benefit. Premiums for the Voluntary STD coverage will be deducted directly from your paycheck. If you have questions regarding how to determine your *predisability earnings*, please contact your human resources representative.

How do I apply for Voluntary STD insurance coverage?

To apply for Voluntary STD insurance, complete the Enrollment Form in your enrollment packet, place it in a confidential envelope and submit it to your human resources department. You can apply at any time, but remember if you apply more than 31 days after becoming eligible, the *late enrollment penalty* applies.

What if I have additional questions?

If you have any additional questions, please contact your human resources representative.

About Standard Insurance Company

Your *employer* has chosen Standard Insurance Company to provide group Voluntary STD coverage to eligible employees. The Standard has earned a solid reputation for its quality products, superior customer service, expert resources, steady growth, innovation and strong financial performance. Founded in 1906, The Standard has developed a national presence in the employee benefits industry, providing customers with group and individual disability insurance and retirement plans, and group life and dental insurance.

Just as others count on you, you can count on The Standard for Voluntary STD insurance in a time of need. Talk with your *employer's* human resources representative for more information about group Voluntary STD insurance from The Standard.



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