

## BASIC LTD INSURANCE

After 180 days of disability, long term disability (LTD) insurance can provide partial income replacement if you cannot work due to an illness or injury. Cedars-Sinai pays for this coverage; and you are automatically enrolled.

Employee coverage amount	50% of basic monthly pay, up to maximum of \$10,000/month Covers up to \$240,000 of basic annual pay
--------------------------	---

## How Long Term Disability Benefits Work

- If you become disabled, LTD income payments do not start automatically; you must apply for benefits. Only if the insurance company determines you meet the definition of disability, will benefits begin (after 180 days of disability).
- You must apply within 12 months of the date of disability.
- LTD benefits are reduced by other sources of disability income, for instance California State Disability Insurance. This means that combined, the LTD benefits plus any other disability income will equal 50% (or 60% if you have elected supplemental LTD) of your basic monthly pay.
- Pay means gross monthly earnings before benefit deductions. It includes shift differential but not overtime, bonuses or other additional compensation.
- You must be actively at work for basic (Cedars-Sinai-paid) and supplemental LTD coverage to start.
- During your first 12 months of coverage, the basic LTD plan (and supplemental LTD) does not cover conditions you've had for three months before your coverage started, but it will cover new conditions. For more information, see the LTD booklet posted on the Benefits Portal at [Cedars-Sinai.MyBenefitChoice.com](https://cedars-sinai.mybenefitchoice.com) (About Our Benefits > Select Summary Plan Descriptions).

## SUPPLEMENTAL LTD INSURANCE

You can purchase an additional 10% of basic monthly pay supplemental LTD coverage.

Employee coverage amount	Additional 10% of basic monthly pay (total of 60% of basic monthly pay) up to maximum of \$12,000/month Covers up to \$240,000 of basic annual pay
--------------------------	---

## Purchasing Supplemental LTD Insurance

- You can purchase (or drop) supplemental LTD coverage during open enrollment only.
- You do not have to fill out a health questionnaire or receive insurer approval for coverage.

### How much does more LTD cost?

Your premiums for supplemental LTD are calculated for you on [Cedars-Sinai.MyBenefitChoice.com](https://cedars-sinai.mybenefitchoice.com). Log on to see how much coverage will cost. The table below shows example amounts to give you a general idea of the cost.

If your basic monthly pay changes, your premiums will change to reflect your new pay.

Supplemental LTD Insurance Premiums				
\$0.198/\$100 of Coverage Estimated Cost Examples				
Annual Pay	Monthly Pay (Annual pay divided by 12)	x Rate (0.198/\$100 of coverage)	Est. Cost/ Month	Est. Cost/ Year
\$25,000	\$2,083.33	0.00198	\$4.13	\$49.56
\$30,000	\$2,500.00	0.00198	\$4.95	\$59.40
\$40,000	\$3,333.33	0.00198	\$6.60	\$79.20
\$50,000	\$4,166.67	0.00198	\$8.25	\$99.00
\$60,000	\$5,000.00	0.00198	\$9.90	\$118.80
\$75,000	\$6,250.00	0.00198	\$12.38	\$148.56
\$100,000	\$8,333.33	0.00198	\$16.50	\$198.00

## Basic (Cedars-Sinai Paid) and Supplemental LTD Insurance Q&As

### How is disability defined?

You are considered disabled and eligible for LTD benefits when the insurance company determines that, because of injury or sickness:

- During the six-month (180 days) period before benefits start and the next 24 months, you are unable to perform the material duties of your own occupation.
- After that, you are disabled only if you are unable to perform the material duties of any occupation. In other words, you cannot work with reasonable continuity in any occupation that you could reasonably be expected to perform satisfactorily given your age, education, training, experience, station in life and physical and mental capacity.
- Disabilities due to mental illness have a lifetime limited payment period of 24 months; benefits for mental and nervous conditions continue beyond 24 months only if you are institutionalized or hospitalized as a result of the disability.

The loss of a professional or occupational license or certification does not, in itself, constitute disability.

*See the LTD booklet for how the insurance company defines these terms and for more details; some disabilities may not be covered or have limited coverage under this plan. The LTD booklet is posted on the Benefits Portal at [Cedars-Sinai.MyBenefitChoice.com](https://cedars-sinai.mybenefitchoice.com) (About Our Benefits).*

### What do I do for income before 180 days?

You may use time from your VHT or ALP banks or income from state disability insurance. For more information, see leaves of absence policies posted on the Cedars-Sinai intranet service center portal:

Service Center: <https://csmc.service-now.com/cssp>

### How long are LTD income benefits paid?

LTD benefits are paid as long as you meet the definition of disability, up to your normal Social Security retirement age.

### Are LTD income payments taxed?

- LTD income from the Cedars-Sinai-paid 50% coverage is taxed.
- LTD income from the supplemental LTD 10% coverage is not usually taxed.

This is because when the employer pays the premiums, LTD income is taxed. When employees pay the premium (with after-tax pay), the premiums are not taxed.

### What is the return to work incentive?

Usually monthly LTD payments plus other sources of income equal 50% (or 60%) of your pre-disability basic monthly pay. If you are working on a partial basis during your first 12 months of receiving LTD payments, the LTD payment will equal the difference between your pre-disability basic monthly pay and the pay you are earning, so that you have 100% (or close to 100%) of your pre-disability basic monthly pay. If you are working after 12 months of LTD, benefits will be offset by 50% of the partial wages.

### If I leave Cedars-Sinai, can I keep my LTD coverage?

LTD coverage ends on your last day of Cedars-Sinai employment. You may not continue or convert LTD insurance.

If you leave Cedars-Sinai because of your disability, but before the six-month (180-day) LTD waiting period is over, you are still eligible to apply for LTD benefits. It takes several months for the insurance company to decide if you qualify for benefits—consequently you should apply for LTD right away. (Do not wait six months.)

For more information about LTD insurance, contact Reliance Standard:

- [reliancestandard.com](https://reliancestandard.com)
- 800-351-7500 (Group Number: LSC 100,002 (unit LTD 128787))