

THE UNIVERSITY OF TENNESSEE

Regular Faculty and Exempt Employees

Long Term Disability Insurance

The Prudential Insurance Company of America

IFS-A091258

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Help Protect Your Most Valuable Asset—Your Paycheck

While nearly everyone has auto and homeowner insurance, many people probably have not insured their most valuable asset—their paycheck.

If you're like most people, you wouldn't be able to meet your financial obligations if you were disabled and unable to work for an extended period of time.

If you stopped receiving a paycheck, would you and your family be able to keep up with the mortgage or rent, pay any auto loans or credit card bills, even afford everyday necessities ?

Now you have an opportunity to enroll in The Prudential Insurance Company of America's disability insurance plan that will help you safeguard your lifestyle and provide you and your family with peace of mind.

Advantages of participating in our program include...

- ✓ **Partial Income Replacement** Benefits provide partial income replacement when you are unable to work due to a sickness or injury.
- ✓ **Assistance and Support for Your Return to Work Efforts**
 - **Rehabilitation Program**— Benefits may include vocational evaluation, job placement services, resume preparation, retraining for a new occupation, and assistance with relocation. We have enhanced our current program to include additional benefits.
 - **Work Site Modification**— The Prudential Insurance Company of America will work to find a modification that is likely to help you remain at work or return to work. We may reimburse your employer or make contributions towards its cost. This provision may vary by state. See your plan booklet for details.
 - **Benefits While Working**— The Prudential Insurance Company of America encourages you to stay at work or return to work when it's appropriate, and may pay benefits if you are working while disabled.
- ✓ **Economical Group Rates**— The Prudential Insurance Company of America's plan is available to you at group rates, which are typically lower than individual rates.
- ✓ **Convenient Payroll Deduction**— Your premium contributions are deducted from your paycheck, so there's no check writing or mail delays.
- ✓ **Benefits Are Not Subject to Income Tax**— When the cost of insurance is paid with after-tax dollars, benefits are not subject to federal income tax under IRC Section 104.

Please review the information in this kit so you can make an informed decision about participating in this program.

Long Term Disability (LTD)

100% Employee Paid

- ◆ **Eligibility:** All Active Regular Faculty and Exempt Employees who are U.S. Citizens or U.S. Residents regularly scheduled to work a minimum of 30 hours per week, excludes all temporary and seasonal workers.
You become eligible for coverage the 1st of the next month following entry into an eligible class. If you are a newly hired employee and enroll within 31 days after you become eligible, your coverage is effective the first of the next month. Employees who enroll in the plan more than 31 days after their eligibility date are required to provide proof of good health that Prudential must approve before coverage can begin.
- ◆ **Plan AA:** The plan replaces 70% of your pre-disability earnings to a maximum of \$7,500 per month.
- ◆ **Plan A:** The plan replaces 66 2/3% of your pre-disability earnings to a maximum of \$7,500 per month.
- ◆ **Plan B:** The plan replaces 63% of your pre-disability earnings to a maximum of \$7,500 per month.
- ◆ **Plan C:** The plan replaces 60% of your pre-disability earnings to a maximum of \$7,500 per month.
- ◆ The minimum monthly benefit is \$100 for Plans AA, A, & B, and \$50 for Plan C.
- ◆ **COLA (Cost of Living Adjustment):** A Cost of Living Adjustment benefit equal to 3% multiplied by and added to your monthly benefit after 12 months of benefits will be payable every year that you remain totally disabled.
- ◆ You are considered disabled when, because of injury or sickness, you are unable to perform the material and substantial duties of your regular occupation, you are under the regular care of a doctor and your disability results in a loss of income of at least 20%. After receiving benefits for 36 months, you are considered disabled when, due to the same sickness or injury, you are unable to perform the material and substantial duties of any gainful occupation for which you are reasonably fitted by education, training or experience.
- ◆ If you meet the definition of disability, your benefits will begin 120 days following an accidental injury or sickness.
- ◆ The LTD benefit amount is less deductible sources of income. Deductible sources of income may include benefits from statutory plans, Social Security to you and your dependents, workers' compensation, and other sources are deductible sources of income.
- ◆ Your monthly benefit will not be reduced, during the first 12 months of disability payments, as long as your earnings plus the gross disability benefit does not exceed 100% of pre-disability monthly earnings.
- ◆ As long as you remain totally disabled, LTD benefit payments will continue according to the following schedule:

Under age 61	To your normal retirement age*, but not less than 60 months
Age 61	To your normal retirement age*, but not less than 48 months
Age 62	To your normal retirement age*, but not less than 42 months
Age 63	To your normal retirement age*, but not less than 36 months
Age 64	To your normal retirement age*, but not less than 30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 and over	12 months

*Your normal retirement age is your retirement age under the Social Security Act where retirement age depends on your year of birth.

- ◆ A disability due to a pre-existing condition that begins within the first 12 months of the effective date of coverage is excluded from coverage. A pre-existing condition is an injury or sickness for which you received medical treatment, consultation, diagnostic measures or prescribed drugs or medicines, or followed treatment recommendations during the six months prior to your effective date of coverage.
- ◆ Disabilities due to mental illness are limited to 24 months of benefits during your lifetime. Examples of mental illness include schizophrenia, depression, manic depressive or bipolar illness, anxiety, somatization, substance related disorders (including drug and alcohol abuse), and/or adjustment disorders. Disabilities due to mental illness have a combined limited pay period during your lifetime.
- ◆ You are not covered for a disability caused by war or any act of war, declared or undeclared, an intentionally self-inflicted injury, active participation in a riot, and commission of a crime for which you have been convicted. Benefits are not payable for any period of incarceration as a result of a conviction.
- ◆ Our rehabilitation specialists work with doctors and other specialists to help you return to work. Benefits may be payable for vocational evaluation and retraining for a new occupation. If you are no longer able to perform your occupation, we may help you with job placement services, resume preparation and relocation services. Your participation in this rehabilitation program is required and could affect payment of benefits.
- ◆ You may be eligible to receive additional rehabilitation payments for up to six months while you are receiving long term disability benefits under the plan while you are participating in an approved rehabilitation program.
 - Enhanced Rehabilitation Benefit: An additional monthly benefit equal to 5% of the monthly benefit payment.
 - Spouse and Elder Care/Day Care Benefits: An additional \$500 per month to help cover the cost of care for chronically ill or disabled spouses, or certain family members.
- ◆ The survivor benefit is 3 times your gross disability payment, in the event of your death and it is payable to your spouse or children under age 25.
- ◆ You do not pay premiums while you are collecting disability benefits.
- ◆ A Conversion Privilege lets you convert your LTD coverage to another group disability plan should you leave the University of Tennessee. If you have been in the University of Tennessee's LTD plan for at least 12 months and apply for conversion within 60 days of termination, you can purchase coverage at rates that are generally lower than normal individual rates.

For your coverage to become effective, you must be actively at work during the enrollment period and on the effective date of the plan. If you apply for an amount that requires satisfactory evidence of insurability to The Prudential Insurance Company of America, you must be actively at work on the date of approval for the amount requiring satisfactory evidence of insurability. Provisions may vary by state. Refer to the plan booklet for details.

Long Term Disability Benefit Cost	
1. Enter your annual earnings*:	= \$
2. Divide by 1,200 (monthly earnings per \$100)	= \$
3. Enter your rate from the table below:	= \$
4. Multiply line 2 by line 3. This is your monthly cost	= \$

*Maximum is \$129,000 for Plan AA; \$135,000 for Plan A; \$143,000 for Plan B; \$150,000 for Plan C

<u>Plan AA</u> 70% Benefit	<u>Plan A</u> 66 2/3% Benefit	<u>Plan B</u> 63% Benefit	<u>Plan C</u> 60% Benefit
\$.350	\$.295	\$.250	\$.230

Cost of insurance for all coverages, which are deducted from your paycheck, may increase or decrease in the future based upon the claims experience of participants. All provisions that apply to this/these coverage(s) are governed by the Certificate. Rates may be subject to change.



About The Prudential Insurance Company of America

Prudential's famous Rock logo has been one of America's best-known icons. It's a symbol of the strength and trust that millions of Americans have placed in us to help them meet their most important financial goals.

The Prudential Insurance Company of America is one of the leading providers of group insurance in the United States. Our resources, financial strength, and stability allow us to honor long-term commitments to employers and employees alike.

Enroll today for this valuable coverage!

To enroll, simply complete the Enrollment Form, and return it as instructed.

If you need additional information, please contact your In State Representative, Health Hildreath at 800-874-0831 or contact one of the following locations:

<u>Campus</u>	<u>Contact</u>	<u>Telephone</u>
Health Science Center	Phyllis Hubbard	(901) 448-1955
Knoxville Area -The Institute of Agriculture -The Institute for Public Service -The University of Tennessee, Knoxville -University-wide Administration	Holly Wells	(865) 946-8847
Space Institute	Pam Ledford	(931) 393-7226
Martin	Sherry Shanklin	(731) 881-7850
Chattanooga	Kathy Taylor	(423) 425-4452
UT Medical Center-Knoxville	Glenda Walker	(865) 544-9524

After the date your insurance becomes effective, you will receive a Certificate, which details your plan provisions.

Group Disability coverage is issued by The Prudential Insurance Company of America, 751 Broad Street, Newark, NJ 07102. Disability Support: 1-800-290-5903. Prudential and the Rock logo are registered service marks of The Prudential Insurance Company of America. This brochure is intended to be a summary of your benefits and does not include all plan provisions, exclusions and limitations. Please refer to the Booklet-Certificate, which is made a part of the Group Contract, for all plan details, including any exclusions, limitations and restrictions which may apply. If there is a discrepancy between this document and the Booklet-Certificate/Group Contract issued by The Prudential Insurance Company of America, the terms of the Group Contract will govern. Contract provisions may vary by state. Contract Series: 83500.

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Enrollment Form – The University of Tennessee – Regular Faculty Exempt Plan

General Information (Employee)		Effective Date of Coverage (for office use only) ___/___/___	
Last Name		First Name	Middle Initial
Address		City	State Zip Code
Social Security No. ____ - ____ - ____	Your Annual Earnings \$ _____		Date of Birth Month Day Year ____/____/____
		Gender:	Pay Cycle:
Date Employed Month Day Year ____/____/____	Plan and Contact:		(For Prudential Use Only) Control # 50973
Long Term Disability			
<input type="radio"/> I wish to enroll for the Long Term Disability insurance coverage. Payroll Deduction \$ _____ <input type="radio"/> I would like to enroll in Plan AA <input type="radio"/> I would like to enroll in Plan A <input type="radio"/> I would like to enroll in Plan B <input type="radio"/> I would like to enroll in Plan C <input type="checkbox"/> I authorize my employer to deduct contributions for the cost of the plan from my earnings. <input type="radio"/> No Long Term Disability insurance coverage chosen. I understand that in the event I desire such insurance at a later date, I will be required to furnish medical evidence of insurability at my own expense, and the insurance company will have the right to refuse my request.			

The Prudential Insurance Company of America

751 Broad Street, Newark, New Jersey 07102

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Prudential, the Prudential logo and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.



Enrollment Form – The University of Tennessee – Regular Faculty Exempt

Employee General Information			
Last Name	First Name	Middle Initial	Social Security No.
_____	_____	_____	____ - ____ - ____
Acceptance or Waiver of Coverage			
<p>FOR RESIDENTS OF ALL STATES EXCEPT DISTRICT OF COLUMBIA, FLORIDA, KENTUCKY, NEW JERSEY, NEW YORK, PENNSYLVANIA, UTAH, VERMONT, VIRGINIA AND WASHINGTON; WARNING: Any person who knowingly and with intent to injure, defraud, or deceive any insurance company or other person, or knowing that he is facilitating commission of a fraud, submits incomplete, false, fraudulent, deceptive or misleading facts or information when filing an insurance application or a statement of claim for payment of a loss or benefit commits a fraudulent insurance act, is/may be guilty of a crime and may be prosecuted and punished under state law. Penalties may include fines, civil damages and criminal penalties, including confinement in prison. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant or if the applicant conceals, for the purpose of misleading, information concerning any fact material thereto.</p>			
Employee Signature _____		Date (Month, Day, Year) _____	



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