



## **Benefits & Cost Summary**

### **Short Term Disability Income Protection Insurance**

This proposal for Short Term Disability Income Protection Insurance coverage includes all active full-time employees working 30 hours per week in the United States with the employer.

#### ***Plan Description:***

|                                  |   |
|----------------------------------|---|
| <b>Coverage effective date:</b>  | December 1, 2017  |
| <b>Weekly Benefit:</b>           | 60% of weekly earnings to a maximum benefit of \$500 per week |
| <b>Definition of Disability:</b> | Residual Disability   |
| <b>Elimination Period:</b>       | - Injury: 0 days<br>- Sickness: 7 days                        |
| <b>Benefit Duration:</b>         | 26 weeks  |

#### **Standard Plan Features Included in Quote:**

- Rehabilitation and Return to Work Assistance Program
- Guaranteed Insurability
- Full Maternity Benefits
- Minimum Weekly Benefit of \$25
- 12 Month Rehire Provision

For purposes of calculating benefits and cost, an employee's "weekly earnings" is assumed to mean: gross weekly income before taxes, including any pre-tax contributions to a deferred compensation plan, **excluding** commissions, bonuses, overtime pay or other extra compensation.

**Cost of Coverage Paid By:** Employer (Rate assumes 100% participation)

#### **General Information Regarding Benefit Taxability and Integration:**

In general, the STD weekly payment will be taxable:

- If the Employer pays the premiums and employees' salaries are not grossed-up to include premiums as taxable income.
- If the Employees pay premiums with **pre-tax** dollars.
- If Employees share payments of premiums with the employer, a portion of the benefits will be taxed.

For taxable STD payments, Unum will provide periodic information to enable the Employer to deposit the Employer's FICA match, administer all FUTA/SUTA obligations, and to elect who prepares all W-2s and associated W-2Cs. If the Employer would like to streamline its IRS tax payment and reporting obligations, contact a Unum representative to learn about our FICA Match service.

In general, the STD weekly payment will not be taxable:

- If Employees pay premiums with **post-tax** dollars.
- If the Employer pays the premiums and employees' salaries are grossed-up to include premiums as taxable income.

For nontaxable STD payments, Unum will provide periodic information to enable the Employer to elect who prepares all W-2s and associated W-2Cs.

The STD weekly payment may be reduced by amounts the employee receives or is entitled to receive from deductible sources of income (offsets) and disability earnings.



***Coverage Exclusions and Limitations:***

**Exclusions:**

- Occupational Sickness or Injury
- Intentionally Self-Inflicted Injuries
- Active Participation in a Riot
- Loss of Professional License, Occupational License or Certification
- Commission of a Crime for which the employee has been convicted
- Incarceration
- War, declared or undeclared, or any act of war

***Coverage Termination:***

An employee's coverage under the plan will end on the earliest of:

- the date the policy or a plan is cancelled;
- the date the employee is no longer in an eligible group;
- the date the employee's eligible group is no longer covered;
- the last day of the period for which the employee made any required contributions; or
- the last day the employee is in active employment, unless they are absent due to a covered layoff or leave of absence.



## **Benefits & Cost Summary**

### **Long Term Disability Income Protection Insurance**

This proposal for Long Term Disability Income Protection Insurance coverage includes all active full-time employees working 30 hours per week in the United States with the employer.

#### ***Plan Description:***

|   |   |
|---|---|
| <b>Coverage effective date:</b>   | December 1, 2017  |
| <b>Monthly Benefit:</b>   | 60% of monthly earnings to a maximum benefit of \$5,000 per month.  |
| <b>Monthly Disability Plus® Severe Impairment Supplemental Benefit:</b> | Additional 10% of monthly earnings to a maximum monthly benefit of the lesser of the LTD plan maximum monthly benefit or \$5,000  |
| <b>Definition of Disability:</b>  | <ul style="list-style-type: none"><li>• 2 Year Regular Occupation</li><li>• Zero-Day Residual</li><li>• Accelerated Elimination Period</li><li>• Work Incentive Benefit during the first 12 months of disability payments</li></ul> |
| <b>Elimination Period:</b>  | <ul style="list-style-type: none"><li>• 180 Days</li><li>• 30 Day Accumulation Feature</li></ul>  |
| <b>Benefit Duration:</b>  | Social Security Retirement Age/Reducing Benefit Duration  |
| <b>Social Security Integration:</b>                                     | Primary and family  |

#### **Standard Plan Features Included in Quote:**

- Work-life balance employee assistance program
- Worldwide emergency travel assistance services
- HR®/BenefitsAnswersNow™
- Rehabilitation and Return to Work Assistance Program
- Dependent Care Benefit
- Guaranteed Insurability
- Full Maternity Benefits
- 3 Month Lump-Sum Accelerated Survivor Benefit
- Indexed Pre-Disability Earnings
- "Freeze" in Cost of Living Increases from Deductible Sources of Income
- Waiver of Premium for employees receiving LTD payments
- 12 Month Rehire Provision
- Minimum Monthly Benefit of \$50

For purposes of calculating benefits and cost, an employee's "monthly earnings" is assumed to mean: gross monthly income before taxes, including any pre-tax contributions to a deferred compensation plan, **excluding** commissions, bonuses, overtime pay or other extra compensation.



## ***Long Term Disability Income Protection***

SPECIALTY COMPOSITES GROUP, LTD.

**Cost of Coverage Paid By:** Employer (Rate assumes 100% participation)

### **General Information Regarding Benefit Taxability and Integration:**

In general, the LTD monthly payment will be taxable:

- If the Employer pays the premiums and employees' salaries are not grossed-up to include premiums as taxable income.
- If the Employees pay premiums with **pre-tax** dollars.
- If Employees share payments of premiums with the employer, a portion of the benefits will be taxed.

In general, the LTD monthly payment will not be taxable:

- If Employees pay premiums with **post-tax** dollars.
- If the Employer pays the premiums and employees' salaries are grossed-up to include premiums as taxable income.

The LTD monthly payment may be reduced by amounts the employee receives or is entitled to receive from deductible sources of income (offsets) and disability earnings.

### ***Coverage Exclusions and Limitations:***

#### **Limitations:**

- 24 months Mental Illness and Self-Reported Symptom

#### **Exclusions:**

- 3/12 Pre-Existing Condition\*
- Intentionally self-inflicted injuries
- Active participation in a riot
- Loss of Professional License, Occupational License or Certification
- Commission of a crime for which the employee has been convicted
- War, declared or undeclared, or any act of war
- Incarceration

#### **\* A "Pre-Existing Condition" means the insured employee:**

- received medical treatment, consultation, care or services including diagnostic measures or took prescribed drugs or medicines in the 3 months just prior to his/her effective date of coverage; and
- the disability begins in the first 12 months after the employee's effective date of coverage.

### ***Coverage Termination:***

An employee's coverage under the plan will end on the earliest of:

- the date the policy or a plan is cancelled;
- the date the employee is no longer in an eligible group;
- the date the employee's eligible group is no longer covered;
- the last day of the period for which the employee made any required contributions; or
- the last day the employee is in active employment, unless they are absent due to a covered layoff or leave of absence.