

LONG-TERM DISABILITY PLAN





Once you have completed two years of continuous full-time service with the University, you will automatically be enrolled in the Long-Term Disability (LTD) Plan, if you are eligible at that time. The LTD Plan is designed to provide a continuing income to you and your family after a six-month waiting period if you are unable to work for longer than six months because of a total disability or if you are partially disabled and are suffering a 20% or greater earnings loss.

Boston University pays the entire cost of your Long-Term Disability Plan.

You may also be eligible for coverage under certain disability plans not mentioned in this section. These may include the Short-Term Disability Plan, the Temporary Disability Plan, or other government-sponsored plans such as Social Security or Workers' Compensation. For additional information, see your Employee Handbook, the Faculty Handbook, your collective bargaining agreement, and the "Other Benefits" section of this handbook.

Eligibility

If you are classified by the University as a regular employee, work a full-time schedule, and have an appointment of nine months' or more duration, you automatically become a member of the Long-Term Disability Plan on the first day of the month coincident with or following your completion of two years of continuous full-time service, if you are at work on that day. If you are not at work on the day you would normally become a member, you will become a member in the plan on the day you return to work performing your normal duties.

The two-year service requirement may be waived, allowing you to become a member on your first day of work, if you meet the following requirements:

1. You have a regular full-time appointment of at least nine months' duration with the University; and
2. You provide Human Resources with satisfactory evidence that you had been covered by your previous employer's long-term disability program at the time you left that employer, and no more than three months have passed between the termination of such coverage and your first day of employment with the University; and
3. You submit the evidence of coverage within 90 days from the date of your orientation.

You pay nothing for your coverage under the Long-Term Disability Plan. The University pays the entire cost of this plan.

Employees whose percentage time worked decreases below the eligibility requirements for the Long-Term Disability Plan as of January 1, 2015, will no longer be able to participate in the Long-Term Disability Plan.

Plan Benefits

As explained below, you may receive benefits from the plan if you are a member and become totally disabled or partially disabled while you are covered under the plan.

No benefits are provided for any disabilities commencing before you were covered under the plan or after your coverage under the plan terminates.

"Totally disabled," for purposes of the plan, means that, because of medically determinable illness or injury:

- You cannot perform each of the material duties of your own occupation for which you are reasonably fitted by training, education, or experience during the elimination period and the next 24 months, and thereafter, unable to perform the material duties of any occupation.

"Partial disability," for purposes of the plan, means that, because of your medically determinable illness or injury:

- While unable to perform all the material duties of your regular occupation on a full-time basis because of injury or illness, you are:
 - a. Performing at least one of the material duties of your regular occupation or another occupa-

tion on a part-time or full-time basis; and,

- b. Earning currently at least 20% less per month than your pre-disability earnings.

Note: Either or both of these can satisfy the elimination period.

"Elimination period," for purposes of the plan, refers to the six-month period during which you must continuously have a total disability or partial disability before you can begin receiving benefits from the plan.

You must be totally disabled or partially disabled and suffering a 20% earnings loss for at least six consecutive months before you can begin receiving benefits. Benefit payments will begin on the date you complete 180 days of continuous total and/or partial disability.

After completing the elimination period, you will receive monthly disability benefit payments while you remain totally or partially disabled.

If you are totally disabled, each monthly payment will be 60% of your monthly base salary, up to a maximum monthly benefit amount of \$14,500. This means the maximum covered salary is \$24,166.67 per month (or \$290,000 per year), since \$24,166.67 times 60% equals \$14,500.

If you are partially disabled, the amount of your monthly disability benefit will be adjusted, taking into consideration the amount of your earnings while partially disabled. The monthly benefit for partial disability is 75% of the difference between your full-time monthly base salary and your monthly base salary while

you are partially disabled. For example, if your regular full-time monthly base salary is \$1,000 and your salary while you are partially disabled is \$650, you deduct \$650 from \$1,000 to get \$350. Multiply \$350 by 75% to get \$262.50, which is the amount of your monthly disability benefit.

Your monthly disability payments from the plan will be reduced by any payments you receive from any of the following sources:

- Social Security Retirement or Disability Benefits (including any benefits for dependents) or similar government programs
- Workers' Compensation or similar payments, except when they result from previous, unrelated injuries or disabilities
- Any group disability benefits payable under any group insurance or retirement plan to which the University contributes
- Sick pay

The plan does, however, guarantee you a minimum benefit of \$100 per month regardless of your income from other sources.

You are required to apply for any Social Security benefits for which you are eligible, should your disability be expected to extend for 12 months.

On July 1 following the first 12 months during which you have received disability payments, and each July 1 thereafter, the amount of your monthly disability income from this plan will be increased by 3%. These increases apply for the first 10 years of disability under this plan and then stop.

Benefit Duration

The following table illustrates benefit duration periods under the plan.

This is the maximum period that the plan will pay you benefits as long as you remain disabled.

Once Long-Term Disability benefits cease, depending on your age, you may be eligible for benefits from your participation in a retirement plan or for Social Security retirement benefits.

Age When Benefits Commence	Duration of Benefits
60 or younger	to age 65 but not less than 5 years
61 to 64	5 years
65 to 69	to age 70 but not less than 1 year
70 and older	1 year

Federal Income Tax on Long-Term Disability Income

Under present federal income tax laws, your disability benefits are considered taxable income to you in the year they are received.

Subrogation and Reimbursement

The Boston University Long-Term Disability Plan also has a subrogation and reimbursement rule. If another party is legally responsible to pay lost earnings resulting from an illness or injury inflicted on you, the Long-Term Disability Plan is entitled to reimbursement out of any recovery from the responsible party (or from any insurer) for the amount of Long-Term Disability benefits paid by the plan. The covered individual must cooperate with the Long-Term Disability Plan to recover such amounts. If the covered individual receives payment from the responsible party (or any insurer) before the Long-Term Disability Plan receives amounts paid as Long-Term Disability benefits, the covered individual must hold any amount recovered from the responsible party in trust for the

benefit of the Long-Term Disability Plan to the extent of the Long-Term Disability benefits paid by the Long-Term Disability Plan, and must repay the Long-Term Disability Plan from the amounts recovered, even if the amounts recovered do not fully compensate the covered individual for all of his or her losses or damages or expenses. The Long-Term Disability Plan's right to repayment will not be reduced by any attorney fees or other expenses incurred by the covered individual. The Long-Term Disability Plan will not pay any portion of those attorneys' fees or expenses.

How to Obtain Benefits

To claim benefits from the Long-Term Disability Plan, you should contact Human Resources as soon as your partial or total disability begins. (You should also contact your local Social Security office to apply for any Disability Insurance benefits for which you are eligible.) The University will assist you in completing the claim forms and will forward your claim to the plan's Claims Processor.

To process your claim, the insurance company may require you to be examined by a physician or other specialist from time to time, at its own expense. Long-term disability benefits will be discontinued if you fail to provide proof of continued disability or partial disability and regular attendance of a physician or refuse to be examined or evaluated at reasonable intervals or refuse to receive appropriate available treatment. The employee bears the cost of regular physician visits while the insurance company bears the cost of required examinations.

Proof of claim must be given no later than 30 days after the end of the elimination period.

Once the Claims Processor receives your application for benefits and supporting documentation, it will be paid promptly (as long as it is a valid claim).

If your claim is denied, the Claims Processor will notify you of the adverse decision within a reasonable period of time, but not later than 45 days after receiving the claim. This 45-day period may be extended for up to 30 days, if the Claims Processor: (1) determines the extension is necessary because of matters beyond the plan's control, and (2) notifies you, before the end of the 45-day period, why the extension is needed and the expected decision date. If, before the end of the first 30-day extension, the Claims Processor determines, due to matters beyond the plan's control, a decision cannot be rendered within that extension period, the determination period may be extended for up to an additional 30 days, provided the Claims Processor notifies you, before the end of the first 30-day extension period, why the extension is needed and the expected decision date.

The notice of extension shall explain: (1) the standards on which benefit entitlement is based, (2) the unresolved issues that prevent a claim decision, and (3) the additional information needed. You have at least 45 days to provide the information.

The claim determination time frames begin when a claim is filed, without regard to whether all the information necessary to make a claim determination accompanies the filing.

If an extension is necessary because you failed to submit necessary information, the days from the date the Claims Processor

sends you the extension notice until you respond to the request for additional information are not counted as part of the claim determination period.

Any denial will be in writing and will include specific reasons for the denial, and the provisions of the Claims Processor contract on which the denial is based. If there was any disagreement between the Claims Processor and (1) any health care or vocational professionals providing your treatment, (2) any medical and vocational experts whose advice was obtained by the plan, or (3) any determination made by the Social Security Administration, regarding your claim, the denial will include an explanation of the basis for the disagreement.

The denial will also explain how to apply for a review of the denied claim. Where appropriate, it will also include a description of any material that is needed to complete or perfect your claim, and will explain why such material is necessary.

Appealing a Denial

The Claims Processor is solely responsible for determining what constitutes a covered claim under this plan. If the Claims Processor denies your claim for benefits, in whole or in part, you have a right to appeal the denial. You have 180 days to appeal a denied claim. After the receipt of the request for review, the appeal must be decided within 45 days unless special circumstances apply and notice is given before the first 45-day period expires. In this case, the decision on appeal must be rendered within 45 days from the extension.

Prior to rendering a decision on appeal, the Claims Processor will provide you with any new or additional evidence considered, relied upon, or

generated in connection with your claim. When appropriate, the Claims Processor will also provide any new or additional rationale used in making the decision on appeal before rendering the decision. Any new or additional evidence or rationale will be provided free of charge and sufficiently in advance of the issuance of the decision on appeal to allow you a reasonable opportunity to respond.

Additional information (other than the above time periods) about how to appeal a denial of benefits is included in the "Administrative Information" section of this handbook.

Monthly Retirement Plan Waiver Benefit

The Monthly Retirement Plan Waiver Benefit is a special feature of this plan for those who participate in the Boston University Retirement Plan. (See the "Retirement Plan" section of this handbook.) This feature provides for the Long-Term Disability Plan to pay and the University's Core Contributions to your Boston University Retirement Plan account while you are receiving payments from this plan. In this way, the plan allows your Boston University retirement benefits to accumulate even while you are receiving disability income. The contribution will continue to be made for you for the duration of the disability if you qualify for Social Security Disability Income (SSDI). If you do not qualify for SSDI, the contribution will continue for the first five years of your disability. Following is how this monthly benefit works.

Unless you notify Human Resources that you want to make a change, your Retirement Plan benefit contributions will continue to be invested with the same investment sponsor(s) and investment option(s) that you were

using before becoming disabled. The Claims Processor will forward the monthly benefit to the Plan Administrator to deposit with the investment of your choice. If you were dividing your contributions between Fidelity and TIAA, your monthly waiver benefit would continue to be divided in the same proportion. You can change your investment choices for future waiver benefit contributions at any time by notifying the investment sponsor directly.

The monthly waiver benefit equals the University's Core Contribution. In addition, on July 1 following the first 12 months during which you have received disability payments, the amount of your waiver benefit contributions is increased by 3%. These increases apply on each subsequent July 1 for the first 10 years of disability and then stop.

The Monthly Retirement Plan Waiver benefit does not apply to any payments you were making.

For more information about how the Monthly Retirement Plan Waiver Benefit operates, you should contact Human Resources. If you are eligible for the University contribution at the time of your disability, please refer to the table below which shows the University's Core Contribution based on your age and salary.

Exclusions and Limitations

As in most plans of this type, there are some disabilities which are not covered. Examples of disabilities excluded from this plan are as follows:

1. war, declared or undeclared, or any act of war;
2. intentionally self-inflicted injuries;
3. participation in a riot;
4. the committing of or attempting to commit a felony or misdemeanor;
5. cosmetic surgery unless such surgery is in connection with an injury or sickness sustained while the individual is a covered person;
6. a gender change, including, but not limited to, any operation, drug therapy, or any other procedure related to a gender change.

No benefit will be payable during any period of incarceration.

If you are eligible for the University contribution at the time of your disability, please refer to the table below which shows the University's Core Contribution based on your age and salary.

For more information on exclusions and limitations, you should contact Human Resources.

Leaves of Absence

If you leave work for any reason for a prolonged period, you should contact Human Resources to ask how your absence may affect your participation in this plan.

When Plan Membership Ends

If you are a member of this plan and you are not disabled, your participation will end on the earlier day that either of the following events occurs:

- You terminate your employment with Boston University, or
- Your status as a regular full-time employee ends

If one of these events occurs and you are disabled under the plan but not yet receiving benefits, you should contact Human Resources.

Additional Administrative Information.

For additional information such as plan administrative information and your rights under ERISA, please refer to the Administrative Information section of this Handbook.

University Core Contribution		
Attained Age	Up to the Integration Level*	Above the Integration Level
Under 45	4%	6%
45 through 49	6%	8%
50 and above	7%	9%

*2020 Integration Level is \$61,500