

INDIVIDUAL DISABILITY INSURANCE BENEFIT

BOSTON UNIVERSITY

Questrom
School of
Business





The Boston University Individual Disability Insurance Benefit (the “IDI Plan”) is a benefit plan that offers protection from a loss of earnings if you are unable to work due to an illness or injury. The IDI Plan is designed to supplement the coverage offered through the Boston University Group Long Term Disability (LTD) Plan. The IDI Plan is offered on a voluntary basis and paid by the employee.

The IDI Plan is fully insured. Benefits are provided under an individual disability income insurance policy issued by The Standard Insurance Company.

The benefits described in this Handbook are subject to the terms and conditions of the individual plan document or insurance policies. If there is a discrepancy between this description and the insurance policies, the terms of the insurance policies will govern.

Eligibility

To be eligible for the IDI Plan you must:

- Be enrolled in Boston University's Group Long Term Disability (LTD) plan; and
- Have current Base Salary of \$100,000 or more, OR current Base Salary plus Bonus and Over Base in the prior year totaling \$100,000 or more.

Enrollment

Enrollment Periods will be conducted for newly eligible employees at a time determined by Boston University. You may enroll in the IDI Plan if you meet the eligibility requirements and the following criteria if you are a newly eligible employee during the enrollment period:

- You must have been working full time and able to perform the duties of your regular occupation without limitation due to sickness or injury for a period of time commencing 90 days prior to and including the date of your application for the IDI benefit.
- You must not have had a previous declination of coverage for disability insurance by The Standard.
- You must not be currently receiving or have received disability or workers compensation benefits in the last twelve months.
- If you are on a sabbatical leave, paid or unpaid leave you must be actively participating in Boston University's Group LTD Plan.

If you do not apply during the designated enrollment period and choose to enroll at a later date, you will be required to provide evidence of good health satisfactory to the

insurance company.

When Your IDI Coverage Begins

The insurance applied for will take effect when premium payment is received by the insurance company, provided you qualify for the coverage under the terms and conditions of the offer.

Individual Disability Insurance Plan Highlights

The IDI Plan benefit is calculated based on 75% of your total insurable income (defined below) less any Group Long Term Disability benefit and other Individual Disability Insurance you may already have. The maximum monthly benefit payable is \$14,500.

The IDI Plan benefit is offered on a voluntary basis and paid by the employee. The amount of such contributions is determined by the amount charged by the insurer under the applicable insurance policy.

Eligible employees who wish to participate must elect coverage and contribute to the cost of the benefit with after-tax payroll deductions.

Insurable Income Definition

The IDI Plan defines insurable income as current base salary plus any Bonus and Over Base earned in the prior calendar year.

If your insurable income decreases, your IDI benefit amount will not decrease as long as premiums continue to be paid.

Definition of Disability

Total Disability

For Occupation classes 5A and 3A, (see "Definition of Occupation Classes" below) you are unable to perform the

substantial and material duties of your regular occupation, you are not engaged in any other job or occupation for wage or profit, and you are receiving regular medical care from one or more physician(s) appropriate for your injury or sickness.

For Occupation classes 5P, 4P, 3P, and 4S, you are unable to perform the substantial and material duties of your regular occupation; and you are receiving regular medical care from one or more physician(s) appropriate for your injury or sickness.

IDI Benefit Occupational Codes

5P, 4P, 4S and 3P

Medical Professionals and affiliated health workers will be assigned an occupational code of

- 5P – Includes medical professionals who do not perform surgery or interventional procedures. Examples include pharmacists and family practice physicians.
- 4P – Most medical professionals who do not perform surgery or interventional procedures. Examples include neurologists, cardiologists and radiologists.
- 4S – Physicians who perform surgery or interventional procedures, with a few exceptions.
- 3P – Physicians with higher-risk practices. Examples are anesthesiologists, emergency room physicians and orthopedic surgeons. All nurses (all types), nurse managers, nurse practitioners and physician assistants.

3D

- Dentists, Staff Dentists, Dental Specialists, Dental Assistants, and Dental Hygienists

3A

- Coaches (Head, Associate or Assistant)
- Facilities and Operations (Specialists, Sr. Specialists, and Managers)
- All Police/Fire Employees (Lieutenants, Sergeants, Directors, Detectives, Deputies, Captains, and Chiefs), Director of Public Safety
- TV and Radio Media (Reporters, Sales, Anchors, Hosts and Marketing)
- Managers of the following departments (Facilities and Infrastructure Project, Custodial, Plumbing, Procurement and Sourcing, Transportation, Maintenance Operations, Building Utilities & Automation Systems)
- All Clinical Managers, Professors, Associate Professors and Assistant Professors who work with different therapies (physical, occupational, rehabilitation, respiratory, human physiology and speech) and Athletic Training
- Any other manually intensive occupations not listed here. Please consult the current The Standard's online IDI Product Reference Guide or contact GSI underwriting at The Standard for any additional occupational questions.

5A

- All other occupations with insurable income in excess of \$100,000, not called out above for a 3A, will be assigned an occupational code of 5A.

Residual Disability Benefit (also known as a Partial Disability Benefit)

Residual disability/residually disabled means you are not totally disabled; and you are working in your regular occupation or any other occupation;

and due to your injury or sickness, you have a loss of income and either a loss of duties or a loss of time of at least 20%; and you are receiving regular medical care from one or more physician(s) appropriate for your injury or sickness.

The monthly residual disability benefit will be a percentage of your total monthly benefit. The monthly residual disability benefit will be determined by your loss of income for the month you are residually disabled divided by your prior income multiplied by your total monthly benefit.

For example, if an individual has a Monthly Benefit Amount of \$5,000, and that individual went on a residual (partial) disability and made half of what they were making previously (for example, pre-disability the individual was making \$100,000 and during the partial disability was making \$50,000), they will receive half of their monthly benefit.

Your loss of income _____	x	The Basic Monthly Benefit	=	Partial Disability Monthly Benefit
Your indexed pre-disability earnings				
\$50,000 = 5 \$100,000	x	\$10,000	=	\$5,000

When Your IDI Coverage Ends

Your coverage under the IDI Plan will end if any of the following occur:

- The premiums remain unpaid at the end of the 31-day grace period,
- The policy expiration date, if you are not actively employed full time and have extended coverage under the policy's renewal option provision,
- The date you are no longer regulation

for at least 30 hours per week,

- The date you recover from your disability covered by the policy's renewal option provision if the policy was continued under that option,
- The date the policy terminates under the Suspension During Military Service provision,
- The date of your written request to terminate the Policy, or
- You die.

IDI Coverage Portability

The individual policy coverage ensuring the IDI Plan is fully portable and can be maintained with the same terms of coverage by paying premiums directly to the insurance company. At such time as your employment with Boston University ends, a letter explaining how you can maintain your individual policy coverage will be sent to your home address.

When Benefit Payments Begin

The benefit waiting period, sometimes called the elimination period, is the number of days you must be disabled before IDI Plan benefits become payable.

Benefits are payable after 180 days of disability. Subject to the terms of the Recurrent Disability provision, these days need not be consecutive; they can be accumulated during a disability to satisfy an elimination period. Benefits are not payable, nor do they accrue, during an elimination period.

Recurrent Disabilities

If after the end of a disability you become disabled again within twelve months due to the same or related causes, it will be considered to be a continuing disability in order to determine the elimination period and

the maximum benefit period applied to it.

Concurrent Disabilities

Concurrent disability means a disability caused by more than one injury and/or sickness. Benefits for a concurrent disability will be paid as if there was only one injury and/or sickness. Benefits will not be paid for more than one disability benefit for the same period.

Waiver of Premium

After 90 days of disability resulting from injuries or sickness not excluded from coverage, the insurance company will:

- Refund any premiums for the policy that were due and paid while you were disabled; and
- Waive the payment of premiums that thereafter become due for as long as the disability continues, but not beyond the maximum benefit period.

Taxation of Benefits

Generally, disability payments are taxed as income only if the premiums are paid by your employer. Since you are paying the premiums for your IDI Plan coverage with after-tax earnings, any disability benefit payments that you receive under the IDI Plan will be tax-free.

For more specific information on the taxation of disability benefits, you can refer to IRS Publication 525— Taxable and Nontaxable Income, available at www.irs.gov.

How IDI Benefits Coordinate with Other Sources of Disability Income

The IDI benefits do not offset or reduce at time of claim for any other source of disability income benefits.

When Payment of IDI Benefits Ends

Benefits will be payable to you until the earlier of the following:

- The date you no longer meet the definition of disability,
- The date you die,
- After 2 years, if the disability is due to a Mental Disorder and/or Substance Abuse if Occupation Class 5P, 4P, 3P and 4S; or
- The end of the maximum benefit period (as shown in the following table).

Even if your employment with Boston University terminates, your IDI Plan benefits will continue according to the schedule above for as long as you meet the definition of disability.

Special Benefits

Family Care Benefit

This feature provides benefits to replace lost income if you are working at least 20% fewer hours, resulting in an income loss of 20% or more to care for a family member with a serious health condition. You do not have to be disabled to receive this benefit.

Age When Disability Begins	Maximum Benefit Period
61 or younger	To age 67
62	60 months
63	48 months
64	42 months
65	36 months
66	30 months
67	24 months
68	24 months
69	21 months

70	18 months
71	16 months
72	15 months
73	14 months
74	13 months
75 or older	12 months

Recovery Benefit

This feature provides a benefit after a period of disability if you fully recover, return to full-time work in your occupation but you continue to lose earned income due to your prior disability. This provision pays a benefit while you re-establish your earnings base. The amount you get is based on the percentage of earnings you lose.

Rehabilitation Program

This benefit can help you regain your self-sufficiency as soon as possible. While you are disabled and receiving benefits, you can receive help to return to work by participating in a voluntary rehabilitation program approved by the insurance company. Some or all expenses in connection with the rehabilitation program may be paid by the insurance company.

Exclusions

Benefits will not be paid for:

- Disability caused or contributed to by war, declared or undeclared, or any act or incident of war, or which resulted from military training, military action or military conflict while you are on active duty in the military service,
- The first 90 days of your disability due to pregnancy or childbirth, except for complications of pregnancy,

- Disability caused or contributed to by your committing or attempting to commit a felony, or your being engaged in an illegal occupation,
- Disability cause or contributed to by your actively participating in a violent disorder or riot. “Actively participating” does not include your being at the scene of a violent disorder or riot while performing your official duties,
- Disability while you are confined for any reason to a penal or correctional institution for a period of more than 7 days,
- Intentionally self-inflicted injury; or
- Any loss excluded by name or specific description.

Benefits will be paid for disabilities caused or contributed to by a pre-existing condition or by a medical or surgical treatment of a pre-existing condition only if, on the date you became disabled, the policy has been continuously in effect for 12 consecutive months.

Benefits will be limited to an aggregate total of 12 months of benefit for each period of disability while you are not residing in the United States or Canada. If you should return to reside in the United States or Canada, you may become eligible to resume receiving benefits if you satisfy all terms and conditions of the policy.

Severability

The Provisions of the Plan are severable. If any provision of the Plan is deemed illegally or factually invalid or unenforceable to any extent or in any application, then the remainder of the provision and the Plan, except to such extent or in such application, shall not be affected, and each and every other provision of the Plan shall be valid and enforceable to the fullest extent and in

the broadest application permitted by law.

Plan Limitations

Being a participant in a Boston University Individual Disability Insurance Benefit does not give an employee the right to continued employment with Boston University or any of its subsidiaries or affiliates. An employee cannot sell, transfer, pledge or assign either voluntarily or involuntarily the value of his or her benefit.

Administrative Information

Sponsor for This Plan

This plan is sponsored by the employer, Boston University, Boston, Massachusetts, which is also the Plan Administrator. Eligibility for the benefit plan described in this handbook applies to those University employees on the US payroll.

Boston University’s Employer Identification Number

For identification purposes, the Internal Revenue Service has assigned number 04-2103547 to Boston University. You will need to know this number if you write to a government agency about any of the plans.

Type of Plan, Plan Number, and Plan Year

In addition to the University’s Employer Identification Number, you need to know the following information:

- **Type of Plan:** The Individual Disability Insurance Benefit is characterized by the federal government as a Welfare Plan.
- **Plan Number:** Boston University has assigned Plan Number 508 to

The Individual Disability Insurance Benefit.

- **Plan Year** The financial records of this plan are kept on a Plan Year basis. The Plan Year for The Individual Disability Insurance Benefit is April 1 to March 31.

Administrator for This Plan

The day-to-day administration of this plan is handled by Human Resources. However, if you have a question or a problem that cannot be resolved by Human Resources, you should contact the Plan Administrator.

The Plan Administrator can be reached by contacting:

Plan Administrator
The Trustees of Boston University
25 Buick Street Boston, MA 02215
Phone: 617-353-4489

Boston University pays the entire cost of many of the benefit plans described in this handbook. In some cases, you and the University share the cost. In others, you pay the entire cost.

Following is an explanation of how this plan is funded and who is responsible for paying benefits:

Contributions to the Individual Disability Insurance Benefit are used by the following providers, who are responsible for processing claims for benefits. The addresses and telephone numbers of these processors are:

Standard Insurance Company
1100 SW Sixth Avenue
Portland, OR 97204
Phone: 1-888-937-4783

Agent of Legal Service

The agent for the service of legal process for this plan is:

University Counsel
125 Bay State Road
Boston, MA 02215

Legal process may be served on the Plan Administrator.

Fraudulent Claims

Submission of a claim for benefits under any of the plans described in this handbook includes a representation that the claim is bona fide and, to the best knowledge of the employee, dependent, or other claimant, proper for payment. Submission of a fraudulent or knowingly false claim by an employee or an employee's dependent participating in a plan will be grounds for disciplinary action against the employee, including termination of participation by the employee and/ or covered dependent(s) under the plan.

Claims for Benefits/Appealing a Denial of Claims for Benefits

When you apply for benefits, there are time periods within which you must receive a decision on your claim for benefits. If you or your beneficiary applies for benefits and either part or all of the request is denied, you have the right to appeal that decision, provided the appeal is made in accordance with the provisions of the plan and applicable laws (e.g., appeals must be filed within required time periods).

Appeals are generally decided by the provider of the benefit involved, which is the insurance carrier, claims administrator, or vendor for most benefits, or the University or its Plan Administration Committee for some benefits.

Appeals to Insurance

Carriers/Claims Administrators/Other Vendors

Appeals regarding benefits or other issues affecting plan participants or other persons for The Individual Disability Insurance Benefit should be made to Standard Insurance Company. The claims filing procedures are set forth in the separate written document, insurance certificate or contract, benefit summary, or other governing document for the Individual Disability Insurance Benefit Plan.

Details of claims and appeal procedures may vary, but generally the following procedures apply:

- If a claim for benefits is either wholly or partially denied, you will be notified in writing. The notice will state the reasons why the claim was denied and the deadline for requesting review, which is different for different types of plans and/or claims.
- If you wish to appeal, you are entitled to review all documents pertaining to your claim free of charge and may also submit comments pertaining to your claim.
- Your appeal of the denial should be addressed to the applicable provider as directed in the denial of benefits notice.
- The applicable provider will decide the claims and appeals in the time and manner required by law.
- Unless a different time period applies, claims will be decided within 90 days (180 days if special circumstances apply) and appeals for denied claims must be filed within 60 days of denial. A decision must be made within 60 days (or 120 days if special circumstances are present and you are notified).

Documents and Laws Governing This

Plan

The plan description contained in this handbook was written from the documents that legally govern how the plan works. In the event of any discrepancy between the plan description in this handbook and the controlling contracts or plan documents, the language in the controlling contracts or plan documents will govern. If you would like a copy of any of these documents, please contact Human Resources.

The plan is also regulated by applicable provisions of applicable laws, which will govern in the event of any conflict between the law and the terms of the plan as described in either the documents or in this summary plan description.

Equal Opportunity/Affirmative Action Policy

Since its founding in 1839, Boston University has been dedicated to equal opportunity and has opened its doors to students without regard to race, sex, creed, or other irrelevant criteria. Consistent with this tradition, it is the policy of Boston University to promote equal opportunity in educational programs and employment through practices designed to extend opportunities to all individuals on the basis of individual merit and qualifications, and to help ensure the full realization of equal opportunity for students, employees, and applicants for admission and employment. The University is committed to maintaining an environment that is welcoming and respectful to all.

Boston University prohibits discrimination against any individual on the basis of race, color, religion, sex, age, national origin, physical or mental disability, sexual orientation, genetic information, military service, or because of marital, parental, or veteran

status. This policy extends to all rights, privileges, programs, and activities, including admissions, financial assistance, educational and athletic programs, housing, employment, compensation, employee benefits, and the providing of, or access to, University services or facilities. Boston University recognizes that that equal opportunity is a reality. Accordingly, the University will continue to take affirmative action to achieve equal opportunity through recruitment, outreach, and internal reviews of policies and practices.

The coordination and implementation of this policy is the responsibility of the Director of Equal Opportunity. The officers of the University and all deans, directors, department heads, and managers are responsible for the proper implementation of equal opportunity and affirmative action in their respective areas, and they are expected to exercise leadership toward their achievement. It is expected that every employee of Boston University will share this commitment and cooperate fully in helping the University meet its equal opportunity and affirmative action objectives.

Boston University has developed detailed procedures, described in its *Complaint Procedures in Cases of Alleged Unlawful Discrimination or Harassment* (www.bu.edu/eeo/policies-procedures/complaint), by which individuals may bring forward concerns or complaints of discrimination and harassment. Retaliation against any individual who brings forward such a complaint or who cooperates or assists with an investigation of such a complaint is both unlawful and strictly prohibited by Boston University.

Inquiries regarding this policy or its application should be addressed to the Director of Equal Opportunity, Equal

Opportunity Office, 888 Commonwealth Avenue, Suite 303, Boston, MA 02215, or call 617-358-1796.

Amendment or Termination of the Plan

Boston University intends to continue maintaining the plan described in this handbook for the exclusive benefit of its employees.

However, the University reserves the right to change or discontinue it, and to implement changes as required by federal, state, or local laws.

You will be informed of any material changes that are made to the plans. If a plan is terminated, your rights, on the date of the termination, would be governed by the provisions of the plan document.

Your Rights Under ERISA

The Individual Disability Insurance Benefit Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides the participants in these plans with certain rights and protections. The following statement is included here so that you will be aware of your rights under the law.

Under ERISA:

- You may examine, without charge, at Human Resources and at other specified locations, during normal business hours, all plan documents relating to the plans in which you participate. The documents that must be available for your review include insurance contracts, plan and trust documents, collective bargaining agreements, and all documents filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security

Administration, for example, detailed annual reports.

- If you wish, you may request your own copies of these plan documents by writing to Human Resources. Where permitted by law, you may have to pay a reasonable charge to cover the costs of copying.
- You will receive summaries of the plans' annual financial reports each year, free of charge. The administrator for the plans is required by law to furnish each participant with a copy of these summary annual reports.

Plan Fiduciaries

Besides giving you certain rights as a participant, ERISA places certain duties upon the people who are responsible for the management of the above-mentioned plans. These people are called "fiduciaries" under the law, and they have the duty to act prudently and in your best interests.

Under ERISA, no one may fire you or discriminate against you to prevent you from obtaining a plan benefit or exercising your rights under ERISA.

Enforcing Your Rights

If your claim for a benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have a right to obtain copies, without charge, of documents relating to the decision, and to appeal any denial all within certain time schedules.

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to

provide the materials and pay you up to \$110 for each day's delay until you receive the materials, unless the materials were not sent for reasons beyond the administrator's control. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with a plan's decision or lack thereof concerning the qualified status of a domestic relations order or medical child support order, you may file suit in federal court. If it should happen that plan fiduciaries misuse plan money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or file suit in a federal court.

In a lawsuit, the court normally decides who pays the court costs and legal fees. If you are successful, the other party might have to pay. But, if you lose, the court might order you to pay these costs and fees, especially if the court finds your claim to be frivolous.

Assistance with Questions

If you have any questions about this statement of your rights under ERISA, contact Human Resources. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at www.dol.gov/ebsa or call their toll-free number at 1-866-444-3272. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

and staff and is intended to serve as the summary plan description for the Individual Disability Plan. It is designed as a quick reference source and is not intended to cover every point of policy. In certain instances, the University may exercise discretion, with respect to the administration of the plan described in this handbook. For more in-depth information, contact Human Resources.

Periodically, the University may make changes in policy that may not be reflected immediately in this handbook.

Again, for complete and up-to-date information about any policy or benefit, you should contact Human Resources.

Please note: The policies described in this handbook are not intended to create an employment contract between Boston University and its employees. Therefore, they do not alter the University's rights regarding discharges and layoff.

A Final Note

This handbook presents a summary of Boston University's benefits for faculty