

# 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 handbook. These may include 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" handbook.

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## Eligibility

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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 termination with your previous employer.

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.

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## Plan Benefits

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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 occupation 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 180 - day 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 5 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.

#### Three-Month Survivor Benefit

The Claims Administrator, on behalf of the University, will pay a lump sum survivor benefit when proof is received that the Participant died (a) after that Participant's Total Disability or Partial Disability had continued for one hundred eighty (180) or more consecutive days, and (b) while the Participant was receiving a Total Disability or Partial Disability benefit. The lump sum benefit amount will be equal to three times the last gross monthly benefit amount payable to the Participant prior to their death

without any reduction for earnings received from employment (the "Three Month Survivor Benefit")."

#### 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 the administrator of the benefit, Sedgwick at 877-708-0037. (You should also contact your local Social Security office to apply for any

Disability Insurance benefits for which you are eligible.)

To process your claim, the Claims Processor 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 Claims Processor 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 frame begins 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 elimination 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. If your first appeal is denied, you may submit a second-level appeal; no later than 180 days from the date of the decision on the first appeal. 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. Appeals may be submitted to the following provider:

National Appeals Unit  
PO Box 14446  
Lexington, KY 40512-4446  
Fax: (888) 488-9536  
Email: NAU@sedgwickcms.com

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## Monthly Retirement Plan Waiver Benefit

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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” handbook.) This feature provides for the Long-Term Disability Plan to pay 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. The following is how this monthly benefit works.

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 5 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.

<b>University Core Contribution</b>		
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%

\*2026 Integration Level is \$72,500

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### Exclusions and Limitations

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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,

No benefit will be payable during any period of incarceration.

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

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### Leaves of Absence

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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.

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### When Plan Membership Ends

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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 employment ends.

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

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### Administrative Information

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#### Sponsor for This Plan

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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

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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 Long-Term Disability Plan is characterized by the federal government as a Welfare Plan.
- **Plan Number:** Boston University has assigned Plan Number 507 to The Long-Term Disability Plan.
- **Plan Year:** The financial records of this plan are kept on a Plan Year basis. The Plan Year for The Long-Term Disability Plan is January 1 to December 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

### Funding and Administration of the Plan

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. Contributions to the Long-Term Disability Plan are used by the following providers, who are responsible for processing claims for benefits. The addresses and telephone numbers of these processors are:

Sedgwick  
National Appeals Unit  
PO Box 14446  
Lexington, KY 40512-4446  
Fax: (888) 488-9536  
Email: NAU@sedgwickcms.com

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 bene-

fits 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.

### 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](http://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

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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

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The Long-Term Disability Plan is subject to the provisions of the Employee Retirement Income

Security Act of 1974 (ERISA).

ERISA provides the participants in this plan 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.

Any lawsuit on a claim for benefits under the Plan must be initiated within 12 months after the date of final disposition of the claim pursuant to the claims procedures set forth under this plan.

In a lawsuit, the court normally decides who pays the court costs and legal fees. If you are successful, the other party may have to pay. But, if you lose, the court may 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](http://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.

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#### **A Final Note**

This handbook presents a summary of Boston University's benefits for faculty and staff and is intended to serve as the summary plan description for the Long Term 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 plans 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.