



Managed Disability Benefits



2013
Summary Plan
Description (SPD)



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Managed Disability

The Exchange Managed Disability program can be broken down into two parts. The first part is called the Salary Continuation program and is also known as the Sick Leave Management program. The second part is the Disability Income Program (DIP). The Salary Continuation/Sick Leave Management Program applies to all Regular Full Time and Part Time employees. The DIP program covers only regular full time employees that have enrolled in the program. Both programs are described in this guide.

Salary Continuation/Sick Leave Management

The Managed Disability - Salary Continuation/Sick Leave Management Program applies to all employees in these categories:

- Regular Full-Time
- Regular Part-Time

If you are unable to work due to illness/injury for more than five (5) *calendar* days, you must contact Aetna Managed Disability as indicated below. If the illness or injury is job-related, you must also complete workers' compensation claim information as directed by your local Human Resources office. Coordinate all absences with your supervisor.

Contact Managed Disability as soon as you know you will be out more than 5 calendar days (including weekends), but not later than the 6th day of the illness/injury. Exchange management may disapprove requests for sick leave after the initial 5 day period if the associate does not contact Managed Disability or doesn't seek medical care. Sick leave could also be disapproved if the associate's doctor and Managed Disability do not support an absence of more than 5 days or Managed Disability is unable to get clinical information from the treating doctor.

How to Contact Aetna Managed Disability

	How to Contact Aetna Managed Disability
If you are in the Continental United States (CONUS): <ul style="list-style-type: none">- If you are hearing impaired:	Call 1-800-644-2386 Use the Telecommunications Relay Service (TRS) within your state.
If you are overseas: You and your physician must complete AAFES Form 1700-106 "Sick Leave / Disability Claim Application and Attending Physician's Statement," and mail or use international fax to Aetna as follows:	Aetna Life Insurance Company Attn: Managed Disability - Tampa P.O. Box 14577 Lexington, KY 40512-4577 For questions, call collect: 1-888-774-1371 Fax: 1-877-848-9047

Your phone call or form will put you in touch with an Aetna disability specialist who will:

- ask you a few questions about your illness or injury;
- ask you to describe your job; and
- refer you to an Aetna Registered Nurse.

The nurse may contact your physician to gather clinical information, and contact your supervisor to learn about your job requirements. If appropriate, the nurse will certify your length of disability – the time you'll be out of work. To document this, Aetna will:

- Mail you a certification letter stating any approved length of disability.
- Send your Human Resources office an electronic letter stating any approved length of disability. Your Human Resources office will forward this to your supervisor.

Sick Leave Benefits

Your supervisor will review any information from Aetna and will grant sick leave benefits according to the Exchange's leave policy as provided in EOP 15-10 (Managing Human Resources).

Disability Income Program Benefits

The Plan described in the following pages of this Booklet is a benefit plan of the Army and Air Force Exchange Service. These benefits are not insured with Aetna Life Insurance Company ("Aetna") but will be paid from Army and Air Force Exchange Service funds. Aetna will provide certain administrative services under the Plan.

Employer: Army and Air Force Exchange Service
ASC: 750573
Effective Date: January 1, 2011
Issue Date: August 1, 2013

To Find the Definition of a Term

The terms appearing in bold font in this Booklet are defined in the "Glossary."

This Plan will pay a Weekly Benefit and then pay a Monthly Benefit, as described below, for a period of disability caused by a disease or **injury**; but only if the period of disability has been certified by Aetna. There is a Waiting Period. (This is the length of time during a certified period of disability that must pass before benefits start, see below.)

Eligibility

You are in an Eligible Class if you are a regular full-time civilian employee who was hired prior to age 62.

In addition, to be in an Eligible Class, you must be:

- scheduled to work on a regular basis at least 35 hours per week during your Employer's work week; and
- reported on the U.S. payroll.

Keep in Mind

Coverage is for employees only. Dependents are not eligible.

Your Eligibility Date, if you are then in an Eligible Class, is the date you commence regular full-time work for the Exchange.

Effective Date of Your Coverage

Your coverage will become effective on:

- **For Short Term Disability Coverage:** the date you are enrolled in the program through the electronic benefits enrollment system (eBenefits), after you become eligible.
- **For Long Term Disability Benefits:** the date you complete three months of continuous and uninterrupted enrollment in the program.

This means if you become disabled within the first 3 months of enrollment, you are only covered by short term disability; long term disability coverage will not apply.

If you happen to be ill or injured and away from work on the date your coverage would take effect, the coverage will not take effect until you return to full-time work one full day.

If you don't enroll within 31 days of your Eligibility Date, you may still enroll, but coverage will not become effective until you have satisfactory evidence of good health approved by Aetna.

Contributions

Your biweekly contributions toward the cost of this coverage are deducted from your pay and subject to change.

If your pay will not support the deductions, you must continue to pay the appropriate biweekly contributions to remain covered. Contact your Human Resources office for details.

During a certified period of long term disability while monthly benefits are payable, you will not have to make any further contributions for this program. If you have been enrolled in the basic life insurance program for at least 60 months, your basic life premiums may also be waived.

Waiting Period

The first 30 calendar days of a certified period of disability due to disease or **injury** or the exhaustion of sick leave benefits, whichever period is longer.

If you are not able to work at least half a day, solely due to disease or **injury**, you will be deemed not to have performed the material duties of your own occupation on that day.

Short Term Benefit

Weekly benefits will be payable if a certified period of disability:

- starts while you are covered; and
- continues during and past the Waiting Period; and
- is not caused by an occupational disease or injury that results from employment with the Exchange.

Benefits are payable, after the Waiting Period ends, for as long as your period of disability continues to be certified by Aetna, up to the first 26 weeks of a certified period of disability, including the Waiting Period:

Weekly Benefit	66 2/3% of your Weekly Rate of Basic Earnings as of the date last worked, rounded to the next higher dollar
Maximum Weekly Disability Period	26 weeks

Other income benefits, as defined later, may reduce the benefit actually payable.

Weekly benefits are paid at the end of each week during the period for which benefits are payable. Weekly benefits for a period less than a week will be prorated. This will be done on the basis of the ratio, to 7 days, of the days of eligibility for benefits during the week.

Long Term Benefit

Monthly benefits will be payable if a certified period of disability:

- starts while you are covered for long term disability; and
- continues beyond the date the Maximum Weekly Benefit Period ends or would have ended if the disability was covered.

These benefits are payable for as long as your period of disability continues to be certified by Aetna, up to the Maximum Monthly Disability Period defined below.

Monthly Benefit	66 2/3% of your Monthly Rate of Basic Earnings as of the date last worked, rounded to the next higher dollar
Maximum Monthly Disability Period	See below

Other income benefits, as defined later, may reduce the benefit actually payable.

Monthly Benefits will be paid at the end of each calendar month during the period for which such benefits are payable. Monthly Benefits for a period less than a month will be prorated. This will be done on the basis of the ratio, to 30 days, of the days of eligibility for benefits during the month.

Maximum Monthly Disability Period

(Unless your certified period of disability ends earlier for one or more reasons stated in this Booklet.)

Your certified period of disability will end as follows:

- If you have participated in the Disability Plan for **less than 5 years** on the date that the disability begins, benefits will be payable until the earlier to occur of:
 - a) The end of the calendar month in which you reach normal retirement age (62); or
 - b) The end of the calendar month after the expiration of 5 years of certified disability, starting on the date the Monthly Benefit became payable.
- If you have participated in the Disability Plan for **more than 5 years, but less than 10 years**, on the date that the disability begins, benefits will be payable until the earlier to occur of:
 - a) The end of the calendar month in which you reach normal retirement age (62), or
 - b) The end of the calendar month after the expiration of 10 years of certified disability, starting on the date the Monthly Benefit became payable.
- If you have participated in the Disability Plan for **more than 10 years** on the date that the disability begins, benefits will be payable until the end of the calendar month in which you reach normal retirement age (62).

To Request Disability Benefits

Disability benefits are payable only for a period of disability which has been certified by Aetna. Benefits may also be postponed, reduced or denied if you are late in getting required certification.

To request certification of a period of disability, follow the instructions in the “How to Contact Aetna Managed Disability” section at the beginning of this Booklet.

Call Promptly!

The deadline for calling to request disability certification is 31 days from the first day you are absent from work due to disease or injury. If you fail to meet the deadline, benefits may be denied.

Certification Process for a Period of Disability

A period of disability will be certified by Aetna if, and for only as long as, Aetna determines that you are disabled as a direct result of a significant change in your physical or mental condition occurring while you are covered under this Plan. You must be under the care of a **recognized provider**.

You will be deemed to be disabled while either of the following applies to you:

- In the first 12 months of a certified period of disability:
 - You are not able, solely because of disease or **injury**, to perform the material duties of your own occupation; except that if you start work at a **reasonable occupation** you will no longer be deemed disabled.
 - You are not performing the material duties of your own occupation if:
 - you are performing some of the material duties of your own occupation; and
 - your income is 80% or less of your predisability earnings solely because of an illness, injury or a disabling pregnancy-related condition.
- After the first 12 months of a certified period of disability:
 - You are not able, solely because of disease or **injury**, to work at any **reasonable occupation**.

Important Note: The loss of a professional or occupational license or certification that is required by your own occupation does not mean you meet the test of disability. You must meet this Plan's test of disability to be considered disabled.

You will not be deemed to be under the care of a **recognized provider** on any day more than 31 days before the date he or she has seen and treated you in person for the disease or **injury** that caused the disability.

If any period of disability is not certified because:

- certification has not been received for that period; or
- certification for that period has been requested and denied;

no benefits are payable under this Plan for that period of disability.

Certification of a period of disability will be denied if any one of the following apply:

- Aetna determines that you are not disabled.
- You are not under the care of a **recognized provider**.
- You refuse to have an independent medical exam, when required.
- The requested independent medical exam report is not received by Aetna, or fails to confirm your disability.

Whether or not a period of disability is certified, no benefits will be paid for any day of a period of disability for which payment is excluded by any other terms of this Plan.

When Aetna's certification of a period of disability ends, you may request that Aetna certify an extension of the certified period of disability. If Aetna does not contact you about recertification, but you and your **recognized provider** believe you are still not able to work due to the disability, you should call the toll-free number provided by Aetna. In your best interest, this should be done no later than the last day for which the disability is presently certified. If this is done by then, you will know on a timely basis if the period of disability will be recertified. The call should be made even if the reason you are asking for recertification is due to a different disease or **injury** which has occurred during the certified period of disability.

Written notice of any recertification decision will be sent promptly to:

- you; and
- your Human Resources office.

Separate Periods of Disability

Once a certified period of disability has ended, any new certified period of disability will be treated separately. You must follow the certification requirements to get any succeeding period of disability certified. However, if two or more periods of certified disability are:

- due to the same or related causes; and
- separated by less than the Minimum Recovery Period;

they will be deemed to be one certified period of disability. Only one Waiting Period will apply. The deadline for calling to have the separate periods certified as one certified period of disability is 31 days from the date the most recent period of disability starts. The first period will not be included if it began while you were not covered.

A Minimum Recovery Period is:

- 14 consecutive days if the succeeding certified period of disability starts **before** the end of the Maximum Weekly Disability Period; or
- 180 consecutive days if the succeeding certified period of disability starts **after** the end of the Maximum Weekly Disability Period; at:
 - your own job;
 - your own occupation; or
 - any **reasonable occupation**.

If your disability coverage is cancelled after the first period of disability ends, the deadline for calling to have the separate periods certified as one certified period of disability is 31 days from the date the most recent period of disability starts. The second disability period must start within the Minimum Recovery Period.

End of a Certified Period of Disability

A certified period of disability ends on the first to occur of:

- The date certification of the period of disability by Aetna ends, and the period of disability is not recertified by Aetna.
- The date you cease to be disabled.
- The date you cease to be under the care of a **recognized provider**.
- The date you are not receiving effective treatment for alcoholism or drug abuse. “Effective treatment of alcoholism or drug abuse” means a program of alcoholism or substance abuse therapy that is prescribed and supervised by a physician and either:
 - has a follow-up therapy program directed by a physician on at least a monthly basis; or
 - includes meetings at least twice a month with an organization devoted to the treatment of alcoholism or drug abuse. Detoxification and maintenance care are not effective treatment.
- The date you start regular work at a **reasonable occupation**.
- The date you refuse to have an independent medical exam when required.
- The date an independent medical exam report, when required, fails to confirm your disability.
- The date your disability cannot be confirmed because the required independent medical exam report has not been received by Aetna. If, when received, the report confirms your disability, Aetna will certify the period of disability back to the date it ended.
- The date you reach the expiration of the Maximum Monthly Disability Period.
- The date you have income from any employer or from any occupation for compensation or profit equal to more than 80% of your weekly rate of basic earnings prior to your disability.
- The date you fail to give proof that you are unable to perform the duties of any occupation for compensation or profit equal to more than 80% of your weekly rate of basic earnings prior to your disability.
- The day you retire or your employment ceases within a Short Term Disability benefit period.
- The date of your death.
- The day after Aetna determines you are able to participate in **An Approved Rehabilitation Program** and you refuse to do so.

Special Rules That Apply to a Period of Disability Caused by a Disease or Injury Arising Out of and In the Course of Employment

These special rules apply to an occupational disease or injury that is a result of employment with the Exchange or employment that terminated prior to being hired by the Exchange.

No weekly benefits are payable for such a period of disability.

However, if the period of disability is expected to last more than 26 weeks, you must call the toll-free number provided by Aetna to get the period of disability certified starting in the 27th week rather than following the rules set forth in the preceding section. As usual, ***you should call Managed Disability no later than the 5th day of disability. However, you must call within 31 days from the end of the 26th week of your period of disability.*** If you are not able to make the call yourself, the call may be made by:

- your recognized provider;
- your Human Resources office; or
- any member of your family.

The deadline for calling to request certification is 31 days from the end of the 26th week of your period of disability. If you fail to meet the deadline, no benefits will be payable:

- unless you fail to meet the deadline through no fault of your own; and
- the request for certification is made as soon after the deadline as possible, but not later than one year after the deadline unless you are legally incapacitated; and
- Aetna is able to certify your period of disability.

The section “Separate Periods of Disability” will apply to the same extent as if the period of disability was certified during the first 26 weeks.

For the purposes of “Other Income Benefits That Do Not Reduce Disability Benefits,” the amount of retirement or disability benefits which you were receiving from the following before the period of disability started will not reduce your benefits:

- military and other government service pensions;
- retirement benefits from a prior employer; and
- veteran's benefits for service related disabilities.

The benefit payable for 26 weeks for a disease or **injury** which is a preexisting condition will not be payable if no weekly benefit would otherwise be payable under this Plan for a certified period of disability caused by that disease or **injury**.

Your **Monthly Rate of Basic Earnings** for the monthly benefit will be figured based on the amount of salary or wages you were receiving from an employer participating in this Plan on the day before the period of disability started.

You will not be eligible to participate in **An Approved Rehabilitation Program** until the period of disability is certified by Aetna.

Physical Examinations

Aetna will have the right and opportunity to examine and evaluate any person who has requested certification of a period of disability at all reasonable times while that claim is pending or payable. This will be done at this Plan's expense.

Rehabilitation

Aetna retains the right to evaluate you for participation in **An Approved Rehabilitation Program**.

If, in Aetna's judgment, you are able to participate, Aetna may, in its sole discretion, require you to participate in **An Approved Rehabilitation Program**.

This Plan will pay for all services and supplies, approved in advance by Aetna, needed in connection with such participation; except for those for which you can otherwise receive reimbursement from any third party payor, including any governmental benefits to which you may be entitled.

Limitations That Apply to Disability Coverage

Disability coverage does not cover any disability that:

- Is due to intentionally self-inflicted **injury** (while sane or insane).
- Results from your commission of or attempt to commit a criminal act.
- Is due to war or any act of war (declared or not declared).
- Is due to insurrection, rebellion, or taking part in a riot or civil commotion.
- Is for any day for which you do any work for pay or profit, other than in connection with **An Approved Rehabilitation Program**.
- Is for any day you are not under the care of a **recognized provider**.

Also not covered, while benefits would be payable on a weekly basis, is a period of disability that is caused by:

- a disease that is occupational (one which is not a **non-occupational disease**) for employment that terminated prior to being hired by the Exchange; or
- an **injury** that is occupational (one which is not a **non-occupational injury**) for employment that terminated prior to being hired by the Exchange.

On any day during a period of disability that a person is confined in a penal or correctional institution for conviction of a criminal or other public offense:

- certification of that period of disability will be suspended; and
- no benefits will be payable.

Pregnancy Coverage

Benefits are payable on the same basis as for a disease if a female employee, while covered under this Plan, is absent from active work during a certified period of disability due to a pregnancy-related condition.

Termination of Coverage

Coverage under this Plan terminates at the first to occur of:

- When employment ceases.
- When the group contract terminates as to the coverage.
- When you are no longer in an Eligible Class. (This may apply to all or part of your coverage.)
- When you fail to make any required contribution.

Ceasing active work will be deemed to be cessation of employment. If you are not at work due to one of the following, employment may be deemed to continue up to the limits shown below:

- If you are not at work due to disease or **injury**, your employment may be continued until stopped by your Employer, but not beyond 12 months from the start of the absence.
- If you are not at work due to temporary lay-off or leave of absence, your employment will be deemed to cease on your last full day of active work before the start of the lay-off or leave of absence.

Benefits May Continue After Termination

If your coverage terminates during a certified period of long term disability which began while you had coverage, benefits will be available as long as your certified period of disability (including recertification) continues.

Pre-Existing Conditions

What Is a Pre-Existing Condition?

A disease or **injury** is a pre-existing condition if, during the 3 months before the date you became covered for monthly long term disability benefits:

- it was diagnosed or treated; or
- you received diagnostic or treatment services for the disease or **injury**; or
- you took drugs or medicines prescribed or recommended by a **recognized provider** for the condition.

If You Have a Pre-existing Condition

In no event are monthly, long term disability benefits payable for a certified period of disability, if it starts during the first 12 months of your long term disability coverage, if it is caused or contributed to by a pre-existing condition. Only weekly, short term disability benefits may be payable up to the Maximum Weekly Disability Period.

Example: You enroll in the Disability Income Program on 1 January within the first 31 days of eligibility. Short term disability coverage begins on 1 January and long term disability coverage begins on 1 April. If a certified period of disability starts between 1 April and 31 March of the following year, a review of your medical records from 1 January through 31 March will be conducted to determine if the disability was caused or contributed to by a condition that occurred during that time frame.

How "Prior Coverage" Affects Coverage Under This Plan

If the coverage of any person under this Plan replaces any prior coverage of the person the following will apply.

"Prior coverage" is any plan of group disability coverage that has been replaced by coverage under any part of this Plan. It must have been sponsored by your Employer who is participating in this Plan. The replacement can be complete or in part for the Eligible Class to which you belong. Any such plan is prior coverage if provided by another group plan.

A person's coverage under this Plan replaces and supersedes any prior coverage. It will be in exchange for everything under such prior coverage except coverage will not be available as to a particular period of disability for which a benefit is available or would be available under the prior coverage in the absence of coverage under this Plan.

Weekly benefits:

- If you would have received weekly benefits during the period of disability under any prior coverage, benefits are payable on a weekly basis only for up to the Maximum Weekly [Disability](#) Period during the certified period of disability.
- If you would not have received weekly benefits during the period of disability under any prior coverage, no benefits are payable on a weekly basis.

Monthly benefits:

- If you would have received monthly benefits during the period of disability under any prior coverage, benefits are payable on a monthly basis only for up to the Maximum Monthly **Disability** Duration during the certified period of disability.
- If you would not have received monthly benefits during the period of disability under any prior coverage, no benefits are payable on a monthly basis.

Cancelling and Re-Establishing Coverage

If Disability Income Program coverage is cancelled after the 3 months probationary waiting period for long term disability coverage (see Effective Date of Your Coverage above):

- **And coverage is reinstated within 6 months:** There is not a new 3-month probationary waiting period for long term disability coverage to become effective. The 12-month pre-existing condition period picks up where it left off and the 3-month pre-existing condition review period is the same as it was when coverage initially started.
- **And coverage is reinstated within 7 to 24 months:** There is not a new 3-month probationary waiting period for long term disability coverage to become effective. The 12-month pre-existing condition period starts at the reinstatement date and the 3-month pre-existing condition review period starts 3 months prior to the reinstatement date.
- **And coverage is reinstated after 24 months:** It is treated like a completely new enrollment. There is a new 3-month probationary waiting period for long term disability coverage to become effective. The 12-month pre-existing condition period starts when long term disability coverage becomes effective and the 3-month pre-existing condition review period starts 3 months prior to long term coverage effective date.

If Disability Income Program coverage is cancelled before the 3-month probationary waiting period for long term disability coverage ends:

- And coverage is reinstated, the whole process starts over with a new 3-month probationary waiting period, a new pre-existing condition period and a new 3-month pre-existing condition review period.

Benefit Adjustment During Return to Work

If, while benefits are payable, you have income from:

- any employer; or
- from any occupation for compensation or profit;

that is more than 20% of your adjusted pre-disability basic earnings, the benefit as figured above will be adjusted as follows:

- During the first 12 months that you have such income, the benefit will be reduced only to the extent the amount of that income and the benefit payable, as figured above, exceeds 100% of your adjusted pre-disability basic earnings.

Example:

	Current Disability Program Payments	= \$1,333.33 (per month) (66.2/3% of pre-disability earnings)
+	<u>Income from Employer or Occupation</u>	= <u>\$1,000</u> (per month) (50% of pre-disability earnings)
	Total Disability Payments and Income	= \$2,333.33 (per month)
—	<u>Adjusted Pre-Disability Basic Earnings</u>	= <u>\$2,000</u> (per month)
	Reduction to Disability Payments	= \$333.33 (per month)

- Thereafter, the benefit will be the product of the following:

(A divided by B) x C where:

A = Your adjusted pre-disability earnings minus such income.

B = Your adjusted pre-disability earnings.

C = Your current disability program payments.

Example:

A = Adjusted Pre-Disability Earnings – Income from Employer or Occupation	= \$1,000
B = Adjusted Pre-Disability Earnings	= \$2,000
A divided by B	= .50
C = Current Disability Program Payments	= \$1,333.33
A/B x C	= \$666.67

In figuring any benefit during a partial return to work, Other Income Benefits, as defined below, do not include income from any employer or income from any occupation for compensation or profit.

Other Income Benefits

Other Income Benefits That May Reduce Disability Benefits

This Plan's benefits may be reduced by other income benefits that are payable to you, your spouse, your children, and/or your dependents as the result of your disability or retirement. These are:

- 50% of any award provided under The Jones Act or The Maritime Doctrine of Maintenance, Wages and Cure.
- Disability, retirement, or unemployment benefits required or provided for under any law of a government.
Examples are:
 - Unemployment compensation benefits.
 - Temporary or permanent, partial or total disability benefits under any state or federal workers' compensation law or any like law, which are meant to compensate the worker for any one or more of the following: loss of past or future wages; impaired earning capacity; lessened ability to compete in the open labor market; any degree of permanent impairment; and any degree of loss of bodily function or capacity.
 - Automobile no-fault wage replacement benefits to the extent required by law.
 - Statutory disability benefits.
 - Benefits under the Federal Social Security Act, the Railroad Retirement Act, the Canada Pension Plan and the Quebec Pension Plan.
 - Veterans' benefits.
- Retirement benefits for which you are eligible under a group pension plan, after any reduction for Social Security benefits, and after any reduction for benefits payable to a former spouse as determined in a validated Qualified Domestic Relations Order.
- Disability or unemployment benefits under:
 - Any group insurance plan.
 - Any other type of coverage for persons in a group. This includes both plans that are insured and those that are not.
- Profit sharing plans.
- Severance pay.

Other Income Benefits That Do Not Reduce Disability Benefits

In general, this Plan's benefits will not be reduced by income or other benefits that are not related to the disability for which you are receiving benefits under this Plan. This means that retirement or disability benefits you were receiving from the following sources before the date a certified period of disability started will not reduce your benefits under this Plan:

- military and other government service pensions;
- retirement benefits from a prior employer; and
- veteran's benefits for service related disabilities.

Also, the amount of any income or other benefits you receive from the following sources will not reduce your benefits because they are not related to your disability:

- thrift or savings plans;
- 401(k) plans;
- Keogh plans;
- employee stock option plans;
- tax sheltered annuity plans; or
- vacation pay; or
- individual income disability policies.

Effect of Increases in Other Income Benefits (Such as Social Security)

Increases in the level of other income benefits due to the following will be considered "other income benefits":

- a change in the number of your family members;
- a recomputation or recalculation to correct or adjust your benefit level as first established for the period of total disability; or
- a change in the severity of your disability.

There may be cost of living increases in the level of other income benefits received from the employer's group pension plan during a period of total disability. These increases will be considered "other income benefits."

There may be cost of living increases in the level of other income benefits received from other governmental sources during a period of total disability. These increases will not be deemed to be "other income benefits."

There may be cost of living or general increases in the level of other income benefits from a non-governmental source during a period of total disability. These increases will not be considered other income benefits to the extent they are based on the annual average increase in the **Consumer Price Index**.

How Aetna Determines Other Income Benefits

Lump Sum Payments From Workers' Compensation

That part of the lump sum payment that is for disability will be counted, even if it is not specifically apportioned or identified as such. This will be done if it is or is not the result of a compromise, settlement, award or judgment. If there is not proof acceptable to Aetna as to what that part is, 50% will be deemed to be for disability.

This amount will be broken down to a period of time equal to the lesser of: (a) the remaining benefit duration; and (b) 60 months. If the lump sum payment is tied to a specific period, the period of time will start on the same date as the period for which the lump sum payment is made. If the lump sum payment is not tied to a specific period, the period of time will start on the first day of the calendar month following the date that the lump sum payment is made.

Other Payments

- **Payments in a Lump Sum:** These will be broken down to a period of time equal to the lesser of: (a) the remaining benefit duration; and (b) 60 months. These will include periodic payments that could have been chosen in a lump sum.
- **Periodic Payments:** These will be broken down to monthly periods. These will include amounts which are an accumulation of past due periodic payments.

Any of these "Other Payments" that date back to a prior date during a certified period of disability may be allocated on a retroactive basis.

Estimated Other Income Payments

The amount of other income benefits for which you appear to be eligible may be estimated, unless you have signed and returned a reimbursement agreement to Aetna. This agreement contains your promise to repay this Plan for any overpayment of benefits made to you.

If other income benefits are estimated, your monthly benefit will be adjusted when Aetna receives proof:

- of the exact amount awarded; or
- that benefits have been denied after review at the highest administrative level.

This Plan will pay you if any underpayment in your benefit results. You will have to repay this Plan if any overpayment of benefits has resulted. Should this Plan have to take legal action against you to recover any overpayment, you will also have to pay this Plan's reasonable attorney's fees and court costs, if this Plan prevails.

Required Proof of Other Income

Aetna has the right to require proof that:

- you, your spouse, child or dependent has made application for all other income benefits which you or they are, or may be, eligible to receive relative to your disability and has made a timely appeal of any denial through the highest Administrative level; timely appeal means making such an appeal as required, but in no case later than 60 days from the latest denial;
- the person has furnished proofs needed to obtain other income benefits;
- the person has not waived any other income benefits without Aetna's written consent; and
- the person has sent copies of the documents to Aetna showing the effective dates and the amounts of other income benefits.

In addition to the above, for purposes of federal Social Security, when a timely application for benefits has been made and denied, a request for reconsideration must be made within 60 days after the denial, unless Aetna states, in writing, that it does not require you to do so. Also, if the reconsideration is denied, an application for a hearing before an Administrative Law Judge must be made within 60 days of that denial unless Aetna relieves you of that obligation.

You do not have to apply for:

- retirement benefits paid only on a reduced basis; or
- disability benefits under group life insurance if they would reduce the amount of group life insurance;

but, if you do apply for and receive these benefits, they will be deemed to be other income benefits for which proof is required.

If you do not furnish proof of your application or your receipt of other income benefits, this Plan reserves the right to suspend or adjust benefits by the estimated amount of such other income benefits.

Assignment of Coverage

Coverage may be assigned only with the consent of Aetna.

Payment of Benefits to Relatives

This Plan may pay up to \$1,000 of any benefit to any of your relatives whom it believes fairly entitled to it. This can be done if the benefit is payable to you and you are a minor or not able to give a valid release. It can also be done if a benefit is payable to your estate.

Legal Action

No legal action can be brought upon by you to recover under any benefit after 3 years from the deadline for requesting a certification of a period of disability.

Aetna will not try to reduce or deny a benefit payment on the grounds that a condition existed before a person's coverage went into effect, if the loss occurs more than 2 years from the date coverage commenced. This will not apply to conditions excluded from coverage on the date of the loss.

Recovery of Overpayments

If payments are made in amounts greater than the benefits that you are entitled to receive, this Plan has the right to use any legal methods including, but not limited to, the following:

- to require you to return the overpayment on request;
- to stop payment of benefits until the overpayment is recovered;
- to take any legal action needed to recover the overpayment; and
- to place a lien, if not prohibited by law, in the amount of the overpayment on the proceeds of any other income, whether on a periodic or lump sum basis.

If the overpayment:

- occurs as a result of your receipt of other income benefits for the same period for which you have received a benefit under this Plan; and
- to obtain such other income benefits, advocate or legal fees were incurred;

this Plan will exclude from the amount to be recovered, such advocate or legal fees, provided you return the overpayment to this Plan within 30 days of this Plan's written request for the overpayment. If you do not return the overpayment to this Plan within such 30 days, such fees will not be excluded; you will remain liable for repayment of the total overpaid amount.

Examples of other income referred to in the preceding paragraph are:

- Workers' compensation.
- Federal Social Security benefits.

Contract Not a Substitute for Workers' Compensation Insurance

The group contract is not in lieu of and does not affect workers' compensation benefits. However, any workers' compensation benefits are considered other income benefits.

General Provisions

In the event of a misstatement of any fact affecting your coverage under this Plan, the true facts will be used to determine the coverage in force.

This document describes the main features of this Plan. Additional provisions are described elsewhere in the Plan Document on file with your Employer. If you have any questions about the terms of this Plan or about the proper payment of benefits, you may obtain more information from your Employer.

Your Employer hopes to continue this Plan indefinitely but, as with all group plans, this Plan may be changed or discontinued with respect to all or any class of employees.

Glossary

The following definitions of certain words and phrases will help you understand the benefits to which the definitions apply.

Adjusted Pre-Disability Earnings

This is **pre-disability earnings** plus any increases made on each January 1, starting on the January 1 following 12 months of a certified period of disability. The increase on each such January 1 will be by the percentage increase in the **Consumer Price Index**, rounded to the nearest tenth; but not by more than 10%.

An Approved Rehabilitation Program

This is a program of physical, mental or vocational rehabilitation which:

- is expected to result in your return to your own occupation, or to a **reasonable occupation**, on a full-time basis; and
- is approved, in writing, by Aetna. The approval will be based on medical evidence and your potential for return to your own occupation or a **reasonable occupation**.

A rehabilitation program will cease to be **An Approved Rehabilitation Program** on the earliest to occur of:

- the date you are able to perform the material duties of your own occupation or work at any other **reasonable occupation**;
- the date you begin an **Approved Post-Rehabilitation Employment Program**; or
- the date Aetna withdraws, in writing, its approval of the program.

Approved Post-Rehabilitation Employment Program

This is a period of part-time work at your own occupation or a **reasonable occupation**, which is not expected to result in your return to full-time work. This may also be a period of part-time or full-time work at other than a **reasonable occupation**. Aetna must review the program and approve it in writing.

You may work in an **Approved Post-Rehabilitation Employment Program** when Aetna determines that your continued work in **An Approved Rehabilitation Program** will not result in your physical ability to return to work at:

- your own job;
- your own occupation; or
- any other **reasonable occupation**.

A post-rehabilitation employment program will cease to be an **Approved Post-Rehabilitation Employment Program** on the earliest to occur of:

- the date you are able to perform the material duties of your own occupation or work at any other **reasonable occupation**;
- the date you begin **An Approved Rehabilitation Program**; or
- the date Aetna withdraws, in writing, its approval of the program.

Consumer Price Index

The CPI-W, Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, Aetna reserves the right to use a comparable index.

The percentage increase in the **Consumer Price Index** on January 1 will be:

- the excess of the percentage increase in the third calendar quarter of the calendar year right before such January 1, over
- the percentage increase in the third calendar quarter in the second preceding calendar year right before such January 1.

If there is no such increase, there will not be a percentage increase on such January 1.

Injury

An accidental bodily injury.

Monthly Rate of Basic Earnings

This is the amount of salary or wages you were receiving from an employer participating in this Plan on the day before a certified period of disability started, calculated on a monthly basis.

If you are paid on an annual contract basis, your salary, calculated on a monthly basis, is 1/12th of your annual contract salary.

If you are paid on an hourly basis, the calculation of your earnings on a monthly basis is based on your basic hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, but not more than 173 hours per month.

If you do not have regular work hours, the calculation of your earnings on a monthly basis is based on the average number of hours you worked per month during the last 12 calendar months (or during your period of employment if fewer than 12 months), but not more than 173 hours per month.

Included in salary or wages are:

- Contributions you make through a salary reduction agreement with your Employer to any of the following:
 - An Internal Revenue Code (IRC) Section 125 plan for your fringe benefits.
 - An IRC 401(k), 403(b) or 457 deferred compensation arrangement.
 - An executive nonqualified deferred compensation agreement.

Not included in salary or wages are:

- Awards and bonuses.
- Overtime pay.
- Contributions made by the Exchange to any deferred compensation arrangement or pension plan.

To determine the weekly rate of basic earnings prior to your disability on a weekly basis, multiply the weekly rate of basic earnings prior to your disability, calculated on a monthly basis, by 12 and divide the result by 52. A retroactive change in your weekly rate of basic earnings prior to your disability will not result in retroactive change in coverage.

Non-Occupational Disease

A "non-occupational" disease is a disease that does not:

- arise out of or in the course of any activity in connection with:
 - employment; or
 - self-employment;whether or not on a full time basis; and
- result, in any way, from a disease or **injury**, which arises out of such activity.

If proof is furnished to Aetna that a person under the workers' compensation law (or other like law):

- has made claim under such law in connection with a distinct disease; and
- no benefit, award, settlement or redemption has been or will be made under that law for such disease;

that disease will be considered non-occupational.

Non-Occupational Injury

A "non-occupational" injury is an accidental injury that does not arise out of or in the course of any act in connection with:

- employment; or
- self-employment;

whether or not on a full-time basis.

If proof is furnished to Aetna that a person under the workers' compensation law (or other like law):

- has made claim under such law in connection with a distinct injury; and
- no benefit, award, settlement or redemption has been or will be made under that law for such injury;

that injury will be considered non-occupational.

Reasonable Occupation

This is any gainful activity for which you are, or may reasonably become, fitted by education, training or experience. It does not include work under **An Approved Rehabilitation Program** or an **Approved Post-Rehabilitation Employment Program**.

Recognized Provider

A "Recognized Provider" means a legally qualified **physician**.

A "Recognized Provider" also includes:

- licensed clinical psychologists;
- nurse midwives;
- nurse practitioners; and
- physician assistants.

Continuation of Coverage

Continuation of Coverage During an Approved Leave of Absence

This continuation of coverage section applies only for the period of any approved family or medical leave (approved FMLA leave) required by the Family and Medical Leave Act of 1993 (FMLA). If the Exchange grants you an approved FMLA leave for a period in excess of the period required by FMLA, coverage will continue as long as premium contributions are made.

If a period of disability starts while you are on an approved FMLA leave, the Waiting Period for such period of disability will not be deemed to end until the later of:

- the date you complete the Waiting Period; and
- the date you are scheduled to return to active work following the approved FMLA leave.

At the time you request the leave, you must agree to make any contributions required by the Exchange to continue coverage.

Coverage will not be continued beyond the first to occur of:

- The date you are required to make any contribution and you fail to do so.
- The date the Exchange determines your approved FMLA leave is terminated and you do not return to work.
- The date the coverage involved discontinues as to your eligible class.

If you return to work for the Exchange following the date the Exchange determines the approved FMLA leave is terminated, your coverage under this Plan will be in force as though you had continued in active employment rather than going on an approved FMLA leave.

Claims and Appeals

You may file claims for Plan benefits and reconsideration of, or appeal, adverse claim decisions, either yourself or through an authorized representative.

An “authorized representative” means a person you authorize, in writing, to act on your behalf. The Plan will also recognize a court order giving a person authority to submit claims on your behalf.

How to File a Claim for Disability Benefits

You must file a claim to request disability benefits by requesting certification of a period of disability. Follow the instructions in the “How to Contact Aetna Managed Disability” section at the beginning of this Booklet to request certification of a period of disability.

Claim Processing

The Plan’s Claim Administrator, Aetna Life Insurance Company (Aetna), will make a decision on your claim.

- ***If Aetna approves the claim***, Aetna will notify you and benefits are payable to you.
- ***If Aetna denies your claim*** (an adverse benefit decision), Aetna must give you a written notice of the denial. The notice will explain the reason for the denial and the review procedures.

If Your Claim Is Denied

Aetna will notify you of an adverse benefit determination not later than 45 days after receipt of the claim. This time period may be extended up to an additional 30 days due to circumstances outside the Plan’s control. In that case, you will be notified of the extension before the end of the initial 45 day period. If a decision cannot be made within this 30 day extension period due to circumstances outside the Plan’s control, the time period may be extended up to an additional 30 days, in which case you will be notified before the end of the first 30 day extension period. The notice of extension will explain the standards on which entitlement to a benefit is based, the unresolved issues that prevent a decision and the additional information needed to resolve those issues. You will be given at least 45 days after receiving the notice to furnish that information.

How to Request Reconsideration of a Denied Claim

Aetna will review any new information submitted and will notify you of its review decision.

Note: A request for reconsideration of a claim is not the same as appealing a claim and does not extend the 180-day deadline for filing an official appeal.

How to Appeal an Adverse Claim Decision

If your claim is denied in whole or in part, you will receive a written notice of the denial from Aetna. The notice will explain the reason for the denial.

You may request a review if your claim is denied (an adverse benefit decision). You must submit the request to Aetna in writing within 180 days after you receive the notice that your claim was denied. Include your reasons for requesting the appeal.

You may submit written comments, documents, records and other information relating to your claim, whether or not the comments, documents, records or information were submitted in connection with the initial claim. You may also request the Plan provide you, free of charge, copies of all documents, records and other information relevant to the claim.

Ordinarily, Aetna will notify you of the decision on your appeal no later than 45 days after Aetna receives the appeal. If special circumstances require an extension of time of up to an additional 45 days, Aetna will notify you of such extension during the 45 days following receipt of your request. The notice will indicate the special circumstances requiring an extension and the date by which a decision is expected.

If Aetna upholds the initial claim denial, you may make a final appeal to the Exchange's Plan Administrator (Treasurer). You must send your request in writing within 60 days after you receive the notice from Aetna denying your first appeal. Include the reason for requesting the Plan Administrator's review, including why you believe the original claim denial and appeal denial were inappropriate and provide any documentation you believe Aetna did not take into consideration.

The Exchange will notify you within 60 days of receiving your written request of their decision to overturn or uphold the appeal, or to request additional information or actions related to the claim. If additional information or actions are requested, the 60 day time line for response may be suspended until the information is provided or the action is completed. If special circumstances require additional time, the time period may be extended up to 60 days. The Exchange will notify you of the extension during the initial review period.

The decision of the Exchange Plan Administrator is final and binding.

If you have any questions or problems, contact:

- your Aetna Claim Office; or
- your Exchange Human Resource Manager.

