

Union Benefit Planners, Inc.



Transport Workers Union of America Benefits Conference

Long Term Disability Plan September 7, 2017

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The Hartford*

Agenda



1. Long Term Disability Plan Overview
2. Claim Review
3. Online Services
4. Enrollment
5. Value Added Services
6. LTD Claim Submission Process

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LTD Plan Overview

Long Term Disability Plan Design

Eligibility and Coverage Start Date

You must be an active member working at least:

- 30 hours per week for full time coverage
- 20 hours per week for part time coverage

Coverage is effective:

- For new hires: April 1st 2018 for those hired in 2017.
- For those who opted out of the plan as a new hire and later enroll as a Late Entrant, the coverage effective date would be on the date Evidence of Insurability medical paperwork is approved by Hartford.



Long Term Disability Plan Design

Plan Details

- 180-day elimination period before benefits begin.
- Benefits begin on the 181st day member is under a physician's care for a disability caused by illness, accident or pregnancy.
- Benefits may be payable through retirement date for qualifying conditions.
- Benefit checks are sent directly from Hartford or we can accommodate EFT/Direct Deposit directly to the member's bank account.
- Other sources of income related to disability or retirement will reduce LTD benefits (ie: Worker's Comp, Social Security, etc.).



Long Term Disability Plan Design

Benefit Percentage and Maximum Monthly Benefit

- Full-time Members, Dispatcher's Assistants, Instructors, or Technicians
Lesser of 50% of base earnings or 70% with offsets to a maximum monthly benefit of \$5,000 per month.
- Full-time Members who are Flight Dispatchers or Simulators
Lesser of 50% of base earnings or 70% with offsets to a maximum monthly benefit of \$6,000 per month.
- Part-Time Members – 50% of base earnings to a maximum monthly benefit of \$500 per month.
- Both include a minimum monthly benefit of 10% of member's pre-disability earnings prior to any reductions for other income benefits or \$100 per month, whichever is greater. The minimum applies when the member has other income that would otherwise reduce the LTD benefit to \$0.



Long Term Disability Plan Design

Sample Benefit Calculation

For a full time member earning \$2,000 per month:

LTD Monthly Benefit:

$$\$2,000 \times 50\% = \$1,000 \text{ monthly benefit}$$

If the same person is awarded Social Security Disability of \$950:

$$\$2,000 \times 70\% = \$1,400 \text{ less } \$950 \text{ SSD} = \$450 \text{ monthly benefit}$$

Members pay for coverage on a post-tax basis, therefore benefits are not taxable to the member.



Long Term Disability Plan Design

Survivor Income Benefit

We will pay a Survivor Income Benefit to either the member's surviving Spouse or Child(ren) if the claimant is receiving Monthly LTD benefit at time of death.

Survivor Income Benefits is calculated as 3x the lesser of:

- 1) Pre-Disability Earnings multiplied by 50%; or
- 2) Maximum Monthly Benefit under the plan

A lump sum benefit check is mailed by The Hartford to the Survivor. If there is no Survivor then no Survivor Income Benefit is payable.



Social Security Assistance Program

Did you know...

- The Hartford has a Social Security assistance program designed to assist and encourage LTD claimants with the Social Security Disability application and appeal process.
- Assistance is provided both internally at The Hartford and through certified contracted Social Security Advocacy vendors.
- These services are available at no direct cost to the claimants.
- Once referred to an Advocacy vendor, the vendor gathers SSDI application information over the phone, completes the paperwork for the claimant, and files the application on behalf of the claimant.
- The Advocate stays involved through the Administrative Law Judge appeal level, if necessary.

Social Security Assistance Program

There are benefits to receiving a favorable SSDI decision...

- While receiving SSDI, an individual's earnings record is "frozen", resulting in a larger SS Retirement Benefit at retirement age.
- After receiving SSDI benefits for 24 months, one becomes eligible for medical coverage under Medicare.
- A claimant receiving SSDI benefits is eligible for annual SS cost-of-living adjustments. If an increase becomes effective after LTD benefits begin, the claimant's monthly LTD benefit will not reduce further.
- If a claimant returns to work while receiving SSDI benefits and the Social Security Administration approves the employment as rehabilitative in nature, SSDI benefits could continue for up to 9 months.

Deferred LTD Benefit

The Deferred LTD Benefit protects retirement income...

- The Deferred LTD Benefit acts like a pension plan, but is for LTD

How it works...

- While a member who is a qualified American Airlines employee is disabled and approved for LTD benefits they accrue credit toward the Deferred LTD Benefit.
- Once they retire, the Deferred LTD Benefit becomes payable, regardless of whether they recovered and returned to work between the LTD period and retirement.

Deferred LTD Benefit

- Once accrued, the Deferred LTD Benefit is payable from the date of retirement through date of death, unless the member elects the guaranteed payment option.
- The guaranteed payment option is a slightly reduced benefit but pays for at least 120 months or through date of death, if longer.
- If the member dies before 120 months, the remaining benefit is paid to member's estate.

Deferred LTD Benefit

The Deferred Benefit is the greater of the following:

- a) 1.25% of the first \$550 of your Pre-disability Earnings and 2% of your Pre-disability Earnings thereafter, multiplied by the number of calendar years in which 12 Monthly Benefits were payable;
- b) 1.667% of your final average compensation multiplied by the number of calendar years in which 12 Monthly Benefits were payable;
- c) the number of calendar years in which 12 Monthly Benefits were payable multiplied by the following:
 - For Airline Mechanic, Flight Dispatcher, Dispatcher's Assistant, or Union Officer on leave - \$24.00
 - For all other Members - \$23.50

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Claim Review



Claims to date

- As of 8/31/17 there have been 13 claims submitted:

Approved: 1

Denied: 3

Pending: 9

* Pending claims are due to missing medical information

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Online Services

Online Services

EmployerView Website (Employer Portal)

- Did you know... The Hartford has an administrative website that houses TWU's LTD policy info., *real-time* claim status, medical underwriting information, and also includes a reporting function?

www.employerview.com

- The website is self-service so you can directly access information when it's most convenient for you 24/7.
- If you are interested in obtaining access or have questions on how to use the site, please contact Susan Tiso at susan.tiso@thehartford.com or 212-553-8122.

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Enrollment

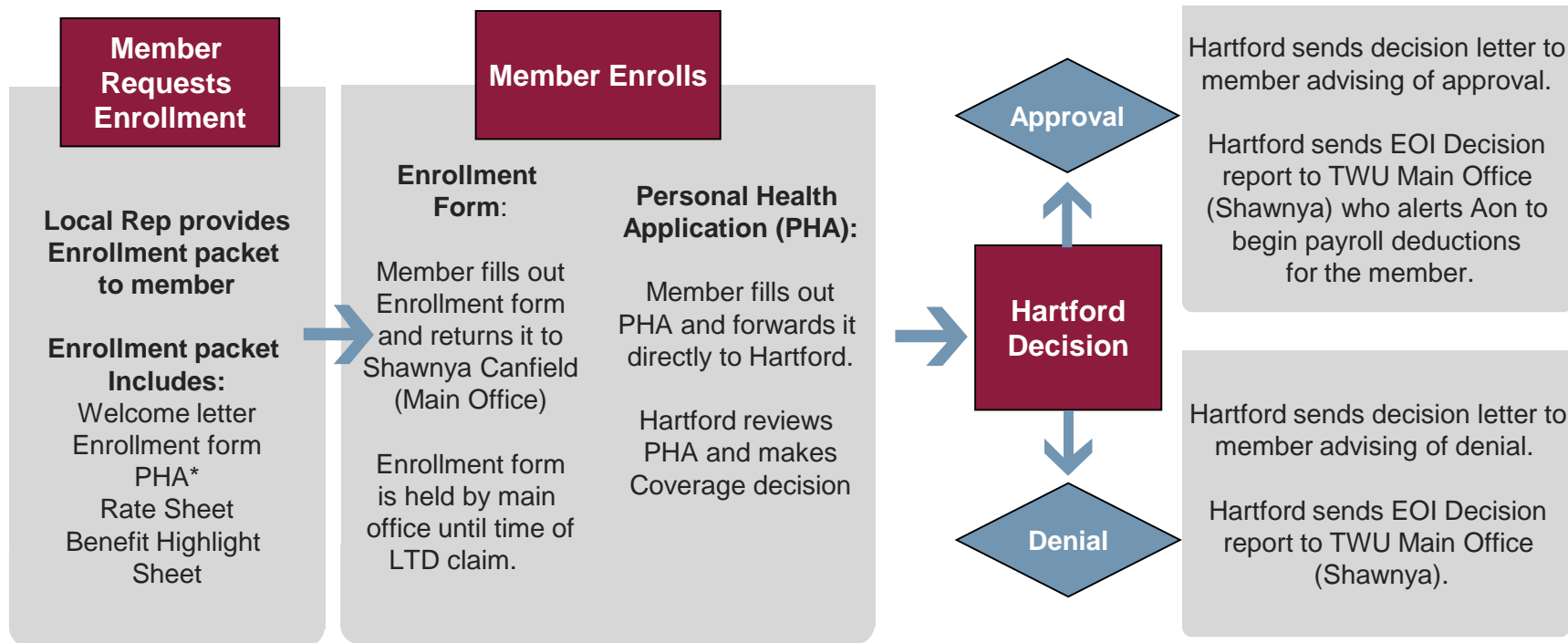
Enrollment – New Hires in 2017

- New hires will be default-enrolled on April 1, 2018 – they will not be required to submit medical information at that time in order to be covered for LTD.

Ongoing Enrollment – Existing Members

- If a member chose to opt out of LTD coverage when first eligible and wishes to enroll at later date, they are considered to be a late entrant. Medical information would be required and be approved by The Hartford in order for coverage to go into effect.

TWU LTD Enrollment Process – Late Entrants



* A PHA is required for all members who are Late Entrants (enroll outside their initial new hire eligibility period). If a member does not submit a PHA to The Hartford or if the application is declined, coverage will not take effect.

Once the applic. PHA (based upon the member's residence state) is submitted, Local Rep. can obtain status at any time using the EmployerView website at:

www.employerview.com

Members can obtain status themselves using the portal:

www.thehartfordatwork.com

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Value Added Services

Your Employees Are Covered for Travel Emergencies



ENHANCED TRAVEL ASSISTANCE¹



- **Emergency medical assistance:** referrals, evacuation, medication
- **Emergency personal services:** travel, cash, legal assistance
- **Pre-trip information:** visa, passport, immunizations

¹ Travel Assistance is provided by Europ Assistance USA.
Europ Assistance USA is not affiliated with The Hartford and is not a provider of insurance services.



Safeguard Your Employees' Identities

IDENTITY PROTECTION & ASSISTANCE SERVICES



- Identity Protection & Assistance Services are included with Travel Assistance¹
- Employees, spouses and dependents covered 24/7
- **Services include:**

PREVENTION

Education and ID Theft Resolution kit

DETECTION

Three credit bureau fraud alert

RESOLUTION GUIDANCE

Credit information review, ID theft affidavit assistance, card replacement

PERSONAL SERVICES

Translation and emergency cash advance²

¹ ID Theft Resolution and Travel Assistance services are provided by Europ Assistance USA.. Europ Assistance USA is not affiliated with The Hartford and is not a provider of insurance services.

² Cash advance (up to \$500) available when theft occurs 100 miles or more from the primary residence, and must be secured by a valid credit card.



Employee Assistance Program



ABILITY ASSIST¹



- Available to claimants through a ComPsych partnership
- Toll-free 24/7 help line staffed by Master's and PhD level counselors
- Up to 3 face-to-face sessions per incident with a counselor and unlimited telephone and web access
- **Services include:**

EMOTIONAL AND WORK/LIFE CONCERNS

LEGAL ISSUES

FINANCIAL PLANNING

¹Ability Assist[®] is offered through ComPsych[®]. ComPsych is not affiliated with The Hartford and is not a provider of insurance services.

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LTD Claim Submission

Questions?