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Voluntary Long Term Disability Program FAQ

After an extensive bid process, University of Tennessee will be transitioning the provider for the UT Voluntary Long Term Disability Program from Prudential to Lincoln on January 1, 2018. As a result, UT employees are now eligible for higher benefits at a much lower rate than the previous offering.

**What is group long term disability insurance?**

Group long term disability insurance protects a percentage of your income should you become disabled and unable to work. The average worker faces a 3 in ten chance of suffering a job loss lasting 90 days or more due to a disability (LIMRA, 2016 Disability Awareness Month).

**How much of my income will be protected?**

66 2/3% of your income, up to a maximum of $8,000 a month of tax free benefit. There is a Cost of Living Adjustment (COLA) feature on the plan as well. It increases the benefit after disability by 3% annually, for 5 consecutive years.

**How much does it cost?**

The rate is the same for everyone, but the premium is tied to your income (because your benefit amount is based on your income). To illustrate, an employee making $50,000 annually will pay $7.96 a month for a $2,800 tax free starting monthly benefit. Your premium can be calculated using the formula: Monthly Earnings (capped at $11,999) X .00191= Monthly Premium

**If I become disabled, when will my benefits begin?**

Benefits begin 120 days after the disability occurs.

**What if I can still work in some capacity?**

Lincoln does offer a partial disability benefit which allows an individual to earn up to 100% of pre-disability income between a combination of earnings paid from your employer and LTD benefit.

**What is the definition of disability?**

The plan protects you in your own occupation for 36 months; thereafter, the definition becomes any occupation for which you are reasonably suited based on your experience, education, or training.

**Are there any limitations on the coverage?**

Mental/nervous and substance abuse disorders are subject to a two year limitation. However, dementia and Alzheimer’s are covered for the full benefit period.

**What is the benefit period?**

To Social Security Normal Retirement Age. For example, if you are 40, your SSNRA is 67, so you will have 27 years of benefit if you remain disabled. If you have coverage and are currently over 61, there is a benefit period table that reduces from 5 years to 1 year. You can maintain coverage as long as you are working regardless of age, and the benefit period will never be less than a year.

**How do I know if I am a current participant in the UT Voluntary Long Term Disability Insurance Program?**

Contact the UT System Office of Benefits and Retirement at [865-946-8847](tel:(865)%20946-8847) or the UT System Payroll Office at [865-974-5251](tel:(865)%20974-5251).

**If I am a current insured, what happens when the Program transitions from Prudential to Lincoln?**

You will be automatically re-enrolled in the Lincoln program, without any gaps in coverage.

**If I am *NOT* currently insured, how do I participate?**

An enrollment form can be found here: <https://hr.tennessee.edu/benefits/ltd-forms/>. You can enroll in coverage until October 13 without medical questions or evidence of insurability. There is a pre-existing conditions clause.

**What is a pre-existing conditions clause?**

A disability due to a pre-existing condition is excluded. A pre-existing condition is an injury or sickness that occurred during the three months prior to your effective date of coverage. After you are covered for a year, no pre-existing clause will apply.

**Where do I send my enrollment form?**

You can scan and email the completed application to [retirement@utk.edu](mailto:retirement@utk.edu), deliver it to your HR administrator, or mail it to:

University of Tennessee

Benefits and Retirement

600 Henley St #221

Knoxville, TN 37996

**What about the State disability insurance program with MetLife?**

University of Tennessee employees are not eligible to participate in the State disability program. UT rates and plan design are much more favorable than the state program.