

DISABILITY INCOME PROGRAM

OVERVIEW

Group and individual policies work together to provide you income protection in the event you are unable to work due to a disability.

Group long-term disability (LTD) coverage is provided by Metropolitan Life Insurance Company (MetLife) and supplemental individual disability insurance (IDI) is provided through Unum. The combination of these plans is referred to as the Disability Income Program.

The Disability Income Program provides disability income up to a maximum of 70% of your salary and bonuses. The combined monthly benefit maximum is \$20,000.

WHO IS ELIGIBLE

You are eligible if you are an active corporate officer or administrator working at least 30 hours a week or a physician working at least 20 hours a week.

WHO PAYS THE COST

Atrium Health pays the full cost of your Disability Income Program coverage. You do not pay income tax on premiums paid on your behalf; however, any benefit you receive in the event of disability is taxable to you. If you are a production paid physician, the premium cost may be allocated to your production account.

WHEN COVERAGE BEGINS

Group disability coverage goes into effect on your first day of work. IDI eligibility begins on the 15th day of the month following your employment date; a completed application is required before coverage is in effect.

A personalized enrollment kit will be mailed to your home address and you must complete and return the application by the deadline indicated. You must have been actively at work for 180 days prior to and including the application signature date to be issued coverage.

Your IDI policy application will not be declined or rated based on your health status once you have met the actively at work requirement.

GROUP LONG-TERM DISABILITY BENEFIT

Your Group LTD coverage pays a monthly benefit equal to 50% of your current monthly salary and bonus, up to a maximum monthly benefit of \$10,000. Your Group LTD benefits are coordinated with other disability coverage

available to you such as Social Security and Workers' Compensation. In general, group disability payments are payable up to social security retirement age.

INDIVIDUAL DISABILITY INSURANCE BENEFIT

Your IDI coverage pays the monthly benefit stated in your policy. Combined with your group LTD, your monthly maximum Disability Income Program benefit is \$20,000. In general, disability benefits from your IDI policy are payable to age 65.

Your IDI policy features include:

- Portability of the policy if you leave Atrium Health
- Partial disability benefits
- Liberal definition of "own occupation"
- Catastrophic disability benefit pays additional monthly benefits for qualified disabilities that are likely to increase living expenses
- Option to convert to Long-Term Care policy between the ages of 60 and 70 with no medical underwriting
- Option to purchase additional voluntary coverage to provide up to 75% salary replacement, for replacement total up to \$30,000

LIMITATIONS AND EXCLUSIONS

Refer to your group certificate and individual policy for additional information about limitations and exclusions that might apply to your disability benefits.

WHEN DISABILITY INCOME PROGRAM PAYS BENEFITS

The Disability Income Program pays benefits if you are absent from work for more than 90 days due to an illness or injury and you are unable to:

- Perform each of the material duties of your usual occupation; and
- You are under the regular care of a licensed physician

You may be eligible for partial disability benefits if you are able to work but you experience a 20% or greater loss of earnings. Partial disability benefits are paid in proportion to your income loss.

To qualify for partial benefits, you must be:

- Unable to work on a full-time basis at your usual occupation; or
- Working at your occupation part-time or at another occupation; and
- Under the regular care of a licensed physician

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The Group and Individual Policy Benefit Determination sections illustrate how benefits are determined for a participant who earns \$200,000 (\$150,000 salary and \$50,000 bonus).

GROUP POLICY BENEFIT DETERMINATION

$(\$150,000 + \$50,000) / 12 = \$16,667$ income per month
x 50% benefit = \$8,333 per month, which is less than the maximum monthly benefit under the group LTD policy of \$10,000.

IDI POLICY BENEFIT DETERMINATION

$(\$150,000 + \$50,000) / 12 = \$16,667$ income per month
x 70% target benefit = \$11,667 - \$8,333 (Group LTD benefit) = \$3,334 individual policy benefit per month, which is less than the maximum monthly benefit under the IDI policy of \$10,000.

TOTAL DISABILITY INCOME PROGRAM BENEFIT

\$8,333 (Group LTD) + \$3,334 (IDI) = \$11,667 per month in total disability benefits.

YOUR DISABILITY INCOME PROGRAM DOCUMENTS

A group certificate is available upon request. A policy for your individual coverage will be provided to you. If your individual policy benefit is increased, Unum will send an amendment to your policy.

HOW DISABILITY INCOME PROGRAM COVERAGE CHANGES

When you become eligible for benefits through the group, your benefit is based on your earnings during the 12 months immediately preceding your disability date. Your group disability benefit is based on a percentage of pay and your benefit automatically adjusts to changes in your pay. Your individual policy has a fixed benefit amount based on the target benefit. The individual benefit does not adjust automatically with pay changes; however, each year your IDI policy will be adjusted to reflect any compensation increase during the previous year, up to the maximum \$10,000 a month. More importantly, your benefit cannot be reduced if your pay decreases.

The Todd Organization administers the IDI policy portion of the Disability Income Program. If you have any questions about your IDI policy, please contact them at 1-800-262-7701.

IF YOU LEAVE ATRIUM HEALTH OR BECOME INELIGIBLE

If you leave Atrium Health or become ineligible for the program, you may convert or continue your disability coverage. When you convert your Group LTD coverage to a MetLife individual policy, you will pay the applicable individual rate to MetLife. If you continue your IDI policy, Unum will bill you directly for your individual policy premiums at your previous premium rate. When you pay premiums, any disability benefits you receive will not be taxable to you.

HR Service Center

Phone: 704-631-1500

Email: HRServiceCenter@AtriumHealth.org

The information contained in this document should not be construed as a promise or guarantee of employment. Atrium Health reserves the right to modify, amend, suspend or terminate this program at any time for any reason. Please note that these highlights are not a complete description of the program or the policies. In the event of a conflict between these highlights and the policy provisions, the policies shall prevail.