

# Basic Long-Term Disability Plan Description

## Prepared For Big Red Liquors

### Eligibility

- Class 1\* Each Active Full-Time President, CIO, CFO working 30 hours or more per week.  
 Class 2\* Each Active Full-Time Employee working 30 hours or more per week.  
 \*Except any person working on a temporary or seasonal basis.

### Plan Descriptions

	Class 1	Class 2
Benefit Percentage:	60%	60%
Monthly Maximum:	\$7,500.00	\$6,000.00
Elimination Period:	90 days	90 days
Benefit Duration:	ADEA-B-AGE/SSNRA	ADEA-B-AGE/SSNRA
Social Security Integration:	Full Family	Full Family
Minimum Benefit:	10%, \$100 min.	10%, \$100 min.
Family Leave:	Yes	Yes
Mental & Nervous Limitation:	2 year limit	2 year limit
Drug & Alcohol Limitation:	2 year limit	2 year limit
Limited Benefit Option:	24 Months	24 Months
Pre-Existing Limitation:	3/12	3/12
Survivor Benefit:	3 Months	3 Months
Managed Rehab Option:	Included	Included
Work Incentive Benefit:	12 Months	12 Months
Child Care:	to age 14/\$250	to age 14/\$250
Worksite Mod Benefit:	100% up to \$2,000	100% up to \$2,000
Own Occupation Coverage:	24 Months	24 Months
Residual Disability:	Yes	Yes
Partial Disability:	Yes	Yes
Specific Indemnity:	Yes	Yes
Extended Disability:	Yes	Yes
Travel Assistance:	Yes	Yes
Identity Theft:	Yes	Yes
EAP 3 Face to Face	Yes	Yes

#### Covered Monthly Earnings

This is the amount of an employee's salary used to calculate the monthly benefit. Covered monthly earnings usually exclude bonuses, overtime and commissions earned by an employee.

#### Elimination Period

The elimination period is the period of consecutive days of total disability for which no benefit is payable. It begins on the first day of total disability and extends for the number of days specified.

#### Benefit Duration /Maximum Benefit Period

We pay LTD benefits for a total disability due to an accident or sickness event. The maximum benefit period may range from 2 years to age 70. Our standard maximum benefit duration lasts up to a person's normal retirement age as defined by Social Security.

LTD benefits usually last until normal retirement age as defined by Social Security. Prior to 1983, this was age 65. Then amendments were added to the United States Social Security Act to link normal retirement age to a person's date of birth.

Therefore, we offer the following schedule:

Benefits will last the longer of (A) or (B) as stated below:

(A)	Age at Disability	Duration
	Prior to age 62	to age 65
	Age 62	42 months
	Age 63	36 months
	Age 64	30 months
	Age 65	24 months
	Age 66	21 months
	Age 67	18 months
	Age 68	15 months
	Age 69 and over	12 months

(B) Normal Retirement Age as defined by the 1983 amendments to the United States Social Security Act and determined by your year of birth:

Year of Birth	Normal Retirement Age
1937 or before	65 years
1938	65 years and 2 months
1939	65 years and 4 months
1940	65 years and 6 months
1941	65 years and 8 months
1942	65 years and 10 months
1943 - 1954	66 years
1955	66 years and 2 months
1956	66 years and 4 months
1957	66 years and 6 months
1958	66 years and 8 months
1959	66 years and 10 months
1960 and after	67 Years

**Extended Disability**

RSL will pay an Extended Disability Benefit to an Insured if he/she:

- 1) meets all the requirements of Total Disability of the Policy
- 2) is receiving a Total Disability Benefit under the Policy that will be exhausted because the Maximum Duration of Benefits has ended

**Benefit Integration**

Other sources of income an Insured receives or is eligible to receive will reduce the Group LTD benefits paid by RSL. We do this so that an Insured does not receive more money while disabled than while working.

**Definitions of Disability**

Our definition of disability is divided into two time periods. The first time period is called the own occupation period and the second time period is called the any occupation period.

**Own Occupation Definition**

During the elimination period and the own occupation period, an Insured must be disabled from his/her regular occupation.

**Any Occupation Definition**

During the any occupation period, the insured is required to be disabled from any occupation.

**Residual Disability**

RSL does not require that an Insured be totally disabled through the elimination period. We allow someone to work part-time and still be eligible for LTD benefits at the end of the elimination period. Once the LTD benefit is payable, the Insured is considered partially disabled.

**Partial Disability**

If an employee is disabled as a result of an injury or sickness, we will consider him/her partially disabled if he/she is capable of performing the material duties of his/her occupation on a part-time basis or some of the material duties on a full-time basis.

**Work Incentive/Child Care Benefit**

Upon satisfying the Elimination Period, RSL will deduct only the amount of earnings which, when added to the employee's LTD benefit, exceeds 100% of the employee's covered monthly earnings. After such time, if applicable, we will offset the LTD benefit by 50% of the Rehabilitative Employment earnings. The Child Care Expense Benefit is a feature of the Work Incentive Benefit. If there are dependent children under the age of 14, then we will add up to \$250 per month to the Insured's covered monthly earnings when calculating the benefit amount during the work incentive benefit period.

**Temporary Recovery during the Elimination Period (Interruption Period)**

RSL encourages disabled employees to return to work either on a part-time or full-time basis. Vocational rehabilitation services help an employee gain the skills to go back to work doing any occupation.

**Managed Rehabilitation Employment Benefit**

The managed rehabilitation benefit encourages an employee to return to work in any gainful occupation including his/her occupation on a part-time basis, for which the employee's training, education or experience will reasonably allow.

We will continue to pay the Monthly Benefit less an amount equal to 50% of the earnings received through Rehabilitative Employment. If rehabilitation is refused, we may reduce or stop the LTD benefit depending on the circumstances. (Reduction or termination of benefits may be prohibited in some states.)

**Family Leave Act (FMLA)**

The Family and Medical Leave Act of 1993 (FMLA) mandates that employers maintain an employee's group health coverage (medical expense and health flexible spending account) during an allowed period of family or medical leave as if the employee had been continuously employed during that time. FMLA applies to firms of more than fifty (50) workers

**Specific Indemnity Benefit**

This provision allows an employee to receive a guaranteed minimum number of benefit payments if he/she suffers any one of the following losses from an accident resulting in an injury:

<b>Loss</b>	<b>Monthly Benefit Payments</b>
Both hands	46
Both feet	46
Entire sight in both eyes	46
Hearing in both ears	46
Speech	46
One hand and one foot	46
One hand and entire sight in one eye	46
One foot and entire sight in one eye	46
One arm	35
One leg	35
One hand	23
One foot	23
Entire sight in one eye	15
Hearing in one ear	15

**Survivor Benefit**

The benefit is an amount equal to three (3) or six (6) times the insured's net monthly benefit before death. It is payable in a lump sum amount or a monthly benefit to a spouse or to unmarried children under age 25, upon the death of the insured provided the insured had been receiving a Monthly Benefit and was disabled for at least 180 consecutive days.

**Travel Assistance**

Travel assistance services provide travel and medical assistance services for employees of our Policyholders while traveling on a trip in a foreign country or 100 miles or more from home.

**Identity Theft Recovery**

This full service ID Recovery Program will perform the recovery process for your employee should they or a member of their family fall victim to identity theft.

**Pre-Existing Condition**

A pre-existing condition is any sickness or injury for which the Insured received medical treatment, consultation, care or services, including diagnostic procedures or took prescribed drugs or medicines, during a specific period (as outlined in the policy) immediately prior to the Insured's effective date of coverage.

**Other Exclusions**

The LTD policy does not cover any disabilities caused by:

- intentionally self-inflicted injury,
- act of war,
- commission of a felony, or
- an injury or sickness that occurs while the Insured is confined in any penal or correctional institution.