



# Long-Term Disability (LTD) Coverage

Effective Date: 3/1/2020

This is a summary of your long-term disability coverage from Principal Life Insurance Company. Long-term disability coverage is designed to replace a portion of your income when you are disabled because of injury or illness.

## Your Benefits at a Glance

<p>Qualifying as Disabled</p>	<p>You may qualify as disabled during the elimination period and own occupation period if because of sickness, injury or pregnancy, one of the following applies:</p> <ul style="list-style-type: none"> <li>You cannot perform the majority of the substantial and material duties of your own occupation.</li> <li>You are performing the duties of your own occupation on a modified basis and lose at least 20% of the income you earned before becoming disabled.</li> <li>You are performing the duties of any other occupation and lose at least 20% of the income you earned before becoming disabled.</li> </ul> <p>After completing the own occupation period, you may qualify as disabled if because of sickness, injury or pregnancy, one of the following applies:</p> <ul style="list-style-type: none"> <li>You cannot perform the majority of the substantial and material duties of any occupation for which you are or may become qualified based on your education, training or experience.</li> <li>You are performing the substantial and material duties of your own or any other occupation on a modified basis and lose at least 33 1/3% of the income you earned before becoming disabled.</li> </ul> <p>The monthly income you earned before becoming disabled is referred to as predisability earnings.</p>										
<p>When Benefits Begin</p>	<p>LTD benefits begin after you have been disabled for the later of 90 working days or the date accumulated sick leave expires. This is called the elimination period. It can be satisfied with days of total or partial disability.</p>										
<p>Benefits if Not Working</p>	<p>When you are unable to work in any capacity during the benefit payment period, your monthly benefit equals your primary monthly benefit, less income from other sources.</p> <p>Your primary monthly benefit is equal to 66 2/3% of your earnings before becoming disabled, but will not exceed \$6,667.</p> <p>Your monthly benefit will not be less than \$100.</p>										
<p>Benefits if Working</p>	<p>If you are able to work while disabled, you may still be eligible to receive a disability benefit.</p> <p>If you are working during the benefit payment period, your monthly benefit equals your primary monthly benefit, less income from other sources and multiplied by your income loss percentage.</p>										
<p>Your Benefit Duration</p>	<p>Your age at the time of disability affects the length of time you are eligible to receive disability benefits.</p> <p>If you become disabled before reaching age 65, your disability benefits are payable until the later of:</p> <ul style="list-style-type: none"> <li>The date you reach Social Security normal retirement age; or</li> <li>36 months after your benefit payment period begins.</li> </ul> <p>If you become disabled at or after age 65, your disability benefits are payable until the later of:</p> <ul style="list-style-type: none"> <li>The date you reach Social Security normal retirement age; or</li> <li>The date the benefit payment period reaches the number of months shown below.</li> </ul> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Age disability occurs</u></th> <th style="text-align: left;"><u>Duration of benefits</u></th> </tr> </thead> <tbody> <tr> <td>Age 65 – 67</td> <td>24 months</td> </tr> <tr> <td>Age 68 – 69</td> <td>18 months</td> </tr> <tr> <td>Age 70 – 71</td> <td>15 months</td> </tr> <tr> <td>Age 72 and over</td> <td>12 months</td> </tr> </tbody> </table>	<u>Age disability occurs</u>	<u>Duration of benefits</u>	Age 65 – 67	24 months	Age 68 – 69	18 months	Age 70 – 71	15 months	Age 72 and over	12 months
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	<p>However, your disability benefits will end when you:</p> <ul style="list-style-type: none"> <li>• Recover</li> <li>• Cease to be under the regular and appropriate care of a physician</li> <li>• Fail to provide any required proof of disability</li> <li>• Fail to submit to a required medical examination</li> <li>• Fail to report income from other sources, or any other required earnings information</li> <li>• Fail to pursue Social Security disability benefits or Workers' Compensation benefits</li> <li>• Die</li> </ul>
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### Rehabilitation Services and Benefits

Rehabilitation Services	<p>While disabled, you may qualify to participate in a rehabilitation plan. Our rehabilitation staff works with you, your physician(s) and your employer to create an individual rehabilitation plan to assist you in returning to work.</p> <p>If you are not disabled, but have a condition that could prevent you from performing the substantial and material duties of your own occupation, preventive rehabilitation services may be offered.</p>
Rehabilitation Incentive Benefit	<p>If you become totally disabled, your benefit percentage can be increased by 5% when you participate in and satisfy the requirements of an individual rehabilitation plan. You may be eligible for 12 months of rehabilitation incentive benefits.</p>
Mandatory Rehabilitation	<p>This provision indicates that, if appropriate, you may be required to participate in an individual rehabilitation plan. Any expenses associated with the rehabilitation plan will be paid for by Principal Life. If you do not comply with the rehabilitation plan without good cause, your disability benefits may cease.</p>

### Additional Benefits

Cost of Living Adjustment (COLA)	<p>The cost of living adjustment (COLA) helps protect you from inflation by increasing your disability benefit payments each year on the date your benefit payments began. Your benefit payment increase will be 3% annually for the duration of benefits.</p>										
Retirement Plan Supplement Benefit	<p>For members employed by UNI for less than 5 years, this benefit will equal the products of a) 10% of the first \$400 of monthly earnings plus 15% of any monthly earnings in excess of \$400 and the applicable factor from below:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Completed Years of Continuous Service</u></th> <th style="text-align: left;"><u>Factor</u></th> </tr> </thead> <tbody> <tr> <td>1 year but less than 2 years</td> <td>.20</td> </tr> <tr> <td>2 years but less than 3 years</td> <td>.40</td> </tr> <tr> <td>3 years but less than 4 years</td> <td>.60</td> </tr> <tr> <td>4 years but less than 5 years</td> <td>.80</td> </tr> </tbody> </table> <p>If the member has been employed by UNI for more than 5 years, the benefit will equal 15% of monthly earnings.</p>	<u>Completed Years of Continuous Service</u>	<u>Factor</u>	1 year but less than 2 years	.20	2 years but less than 3 years	.40	3 years but less than 4 years	.60	4 years but less than 5 years	.80
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Survivor Benefit	<p>A survivor benefit is a lump sum payment issued to your survivors, should you die while receiving disability benefits. The benefit payment is equal to three times your benefit payable.</p> <p>If you are diagnosed with a terminal illness and your life expectancy is 12 months or less, you may elect to receive the survivor benefit on an accelerated basis. You may receive the full amount of the survivor benefit before death. Survivor benefits paid may affect eligibility for public assistance and may be taxable. You should consult your tax advisor with any questions.</p>										
Medical Premium Supplement Benefit	<p>You will be eligible if you have qualified for Long Term Disability benefits under this group policy, have been disabled for 90 working days, are eligible for and have elected COBRA coverage under an employer-sponsored group medical insurance plan; or are eligible for and have elected medical coverage continuation that may be available under a state continuation law.</p> <p>You will be reimbursed for your actual monthly medical premium expenses incurred, not to exceed \$750 per month for a period of up to 24 consecutive months.</p> <p>This benefit will terminate on the earliest of the date benefits would otherwise terminate under this group benefit plan, the date you become covered under an employer-sponsored medical plan other than coverage provided under COBRA or a state continuation law, the date you terminate any group medical coverage you have elected under COBRA or the date you terminate any group medical coverage you have elected under a state continuation law.</p>										

## Limitations of Benefits

Limitations	<p>No benefits will be paid for disabilities resulting from:</p> <ul style="list-style-type: none"> <li>Willful self injury, while sane or insane</li> <li>War or an act of war</li> <li>Participation in an assault or felony</li> <li>A new or continuing disability that begins after your benefit payment period has ended, but you have not returned to active work</li> </ul>
Treatment of Mental Health Conditions and Drug and Alcohol Abuse Conditions	<p>A disability is considered due to alcohol, drug or chemical abuse, dependency or addiction or a mental health condition if the disability is caused by one of these condition(s) and not by other disabling conditions.</p> <p>Maximum benefit payment periods for:</p> <p>Mental health conditions – 24 months</p> <p>Alcohol, drug or chemical abuse conditions – 24 months</p> <p>The benefit payment period listed above is a lifetime maximum for all periods of disability. All disabilities from conditions with the same maximum benefit payment period contribute towards one lifetime maximum.</p> <p>However, if at the end of the benefit duration, you are confined in a hospital or any other type of facility providing treatment for any of these conditions, the benefit payment period may be extended to include the time period you are confined for treatment.</p>
Preexisting Conditions	<p>A preexisting condition is a sickness or injury, including all related conditions and complications, or pregnancy for which you:</p> <ul style="list-style-type: none"> <li>Received medical treatment, consultation, care or service; or</li> <li>Were prescribed or took prescription medications</li> </ul> <p>in the three months prior to your effective date under this policy.</p> <p>Benefits will not be paid for disabilities resulting from preexisting conditions unless, when you become disabled, you have been actively at work for one full day after completing 12 consecutive months of coverage under the policy.</p> <p>Preexisting condition exclusions also apply to benefit increases due to:</p> <ul style="list-style-type: none"> <li>Policy amendments</li> <li>Changes in earnings of 25% or greater</li> </ul>

### Terms you should know:

**Income from Other Sources** – Income you receive from other sources can be deducted from your primary monthly benefit amount. Other sources include:

- All retirement or disability benefits that you and your dependents receive or could have received, from Social Security or other government agencies
- Salary continuance, personal time off, sick pay, or severance pay for the month
- Workers' Compensation benefits
- Income from state disability plans
- Payments from policies that provide coverage for time away from work, if paid in part by or deducted from payroll by the policyholder
- Income from other group disability policies
- Disability or retirement benefits, paid by pension plans sponsored by the policyholder
- Income received from no-fault auto laws
- Renewal commissions received from the policyholder
- All payments for the month that the member receives under state unemployment laws

Other income sources do not include:

- Any sick pay, salary continuance payments, personal time off, severance pay or loss of time from work payments attributable to Individual disability coverage
- Any retirement payments the member receives under the Federal Social Security Act or pension plan the member had been receiving in addition to their monthly earnings prior to a claim for disability
- Military or Veterans Administration disability or retirement payments
- Any cost of living increases paid in connection with other sources of income
- Withdrawal of pension plan benefits by a member for the purpose of placing the benefits in a subsequent pension

plan or a deferred compensation plan unless the member withdraws pension benefits from the subsequent pension plan or defined compensation plan due to disability or retirement

- Any income the member receives for services rendered prior to the member's date of disability

**Modified Basis** – You are considered to be working on a modified basis if you are working on a part-time basis.

**Monthly Payment Limit** – The benefits paid to you are reduced if your total income exceeds 100% of your predisability earnings. Total income includes:

- Your normal benefit payable
- Rehabilitation incentive benefit
- Income from other income sources
- Current earnings from your own occupation or any occupation
- Medical Premium Supplemental Benefit

**Own Occupation** – The occupation, as performed in the national economy, you are routinely performing when disability begins. Own occupation does not mean the specific tasks or job you are performing for the policyholder or at a specific location.

**Own Occupation Period** – The period of time you must be unable to perform the duties of your own occupation. Your own occupation period is the first 2 years of the benefit payment period.

**Predisability Earnings** – The monthly earnings you receive before becoming disabled. Your monthly earnings are one-twelfth or your Basic Annual Compensation.

**Primary Monthly Benefit** - Your primary monthly benefit is equal to 66 2/3% of your earnings before becoming disabled, but will not exceed \$6,667.

**Substantial and Material Duties** – The essential tasks generally required by employers from those engaged in a particular occupation that cannot be modified or omitted. You are considered able to perform the substantial and material duties of an occupation if you are working, or have the ability to work, at least 40 hours per week.

This is a summary of disability coverage underwritten by or with administrative services provided by Principal Life Insurance Company. Because this is a summary of your coverage, it does not state all contract provisions, restrictions of coverage, benefits by conditions or limitations, or provisions required by state or federal law. If any provision presented here is found to be in conflict with federal or state law, that provision will be applied to comply with federal or state law. The group policy or contract determines all rights, benefits, exclusions and limitations of the coverage described here. For complete details, refer to your benefit booklet. If there is a discrepancy between this handout and your benefit booklet, the benefit booklet prevails.



Principal Life Insurance Company, Des Moines, Iowa 50392-0002, [www.principal.com](http://www.principal.com)

Note: This announcement supplements any materials presented by your employer. It does not state all contract provisions, restrictions of coverage, benefits, conditions, limitations, or provisions required by state or federal law. If any provision presented here is found to be in conflict with state or federal law, that provision will be applied to comply with state or federal law. A more complete description is in the booklet that will be issued to each member. Ask your employer for details.

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