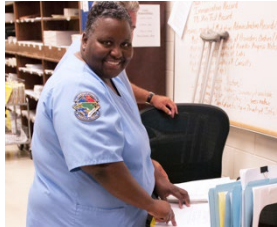
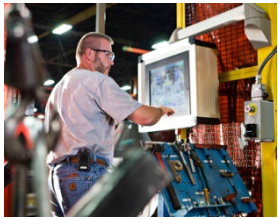




# NORTH CAROLINA Office of *State Human Resources*



## **NCFlex – Voluntary Disability Plan**

**May 2024**

# Agenda

- Eligibility and Enrollment
- Overview of Benefits
- Sample Premium Calculation
- Enrollment in the benefit vs. Claims
- Pre-Existing Condition/Treatment free period
- Returning from a leave of absence
- Basics of EOI (Evidence of Insurability)
- Filing a claim
- Contacts

# Eligibility and Enrollment

Eligible employees can enroll in this plan during their initial New Hire enrollment period, when experiencing a qualifying life event, or during Open Enrollment (EOI would apply).

**Eligibility:** You may enroll in the NCFlex Disability plan if you are a full-time active employee\* of a state agency, participating community college, or participating charter school, working at least 30 hours or more per week. If you have questions about your eligibility, contact your Health Benefits Representative (HBR).

*\*Employees of The University of North Carolina System are not eligible for this benefit.*



# Short Term Disability Schedule of Benefits

These plans provide income replacement if you become unable to work due to a medical disability.

<b>What Your Benefit Provides</b>	The plan pays 66⅔% of earnings up to \$750 per week.
<b>Benefit Waiting Period</b>	14 calendar days for qualifying accident, physical disease, pregnancy or mental disorder. This is the length of time you must be disabled before you begin receiving benefits.
<b>How Long Your Benefits Last</b>	60 calendar days from your date of disability.
<b>Benefits Are Paid</b>	Weekly.
<b>Deductible Income (offsets)</b>	There are no offsets to the STD plan, meaning <u>you will not have benefits reduced if you are receiving income from other sources, such as workers' compensation or Social Security.</u>

# Additional Features for Short Term

- **24 Hour Coverage**
  - Covers disabilities that occur on and off the job.
- **Health Advocate Select**
  - While on an approved STD claim, employees will have access to a dedicated Personal Health Advocate that can assist them with a wide range of services such as coordinating health care with specialists and managing billing questions.
- **Reasonable Accommodation Expense Benefit**
  - Designed to help cover the cost of accommodations that allow the employee to stay at work or return to work following a disabling condition.

# Long Term Disability Schedule of Benefits

Long Term Disability (LTD) provides income replacement if you become unable to work due to a medical disability. LTD benefits begin to pay after you have been continuously disabled for 60 days. Your monthly benefit will be reduced by deductible income, such as Social Security or workers' compensation benefits.

<b>What Your Benefit Provides</b>	<p>The plan will replace up to 66⅔% of your eligible earnings*, up to a maximum benefit of \$12,500 per month.</p> <p>Plan minimum per month: \$100 or 10% of the LTD benefit (whichever is greater).</p> <p><i>*Eligible earnings are your monthly predisability earnings, as defined by the group policy.</i></p>
<b>Benefit Waiting Period*</b>	<p>60 days.</p> <p><i>*If you suffer a qualifying disability, your benefit waiting period is the length of time you must be continuously disabled before you can begin receiving your monthly benefit.</i></p>
<b>How Long Your Benefits Last*</b>	<p>Until your Social Security Normal Retirement Age (SSNRA), provided you continue to meet the definition of disability.</p> <p>Depending on your age at the time of disability, your benefit may be subject to a different schedule.</p> <p><i>*This is the maximum length of time you could be eligible to receive disability benefits for a continuous disability.</i></p>
<b>Benefits Are Paid</b>	<p>Monthly.</p>

# Additional Features for Long-Term

- **24 Hour Coverage**
  - Covers disabilities that occur on and off the job.
- **Return to Work Incentive**
  - With this incentive, Standard only deducts a portion of earnings for work performed while on disability.
- **Reasonable Accommodation Expense Benefit**
  - Designed to help cover the cost of accommodations that allow the employee to stay at work or return to work following a disabling condition.
- **Survivor Benefit**
  - If the employee dies while LTD benefits are payable, a Survivor Benefit may be payable. The Survivor Benefit is 3 times her/his LTD Benefit without reduction by Deductible Income.

# Sample Premium Calculation

- Employee is age 25 and makes \$35,000 a year
- The age banded rate for those age 25-29 is \$0.92 per \$100 of covered monthly payroll
- Premium Calculation:
  - Annual salary divided by 12 months = \$2,916.67 per month
  - Monthly salary divided by \$100 = \$29.17
  - $\$29.17 \times \$0.92 = \$26.84$  per month in premium for the disability plan

\*For biweekly paychecks, premiums will be split evenly across both paychecks in a given month.



# Enrollment vs. Claims

Voluntary enrollment in the plan during your election period and filing a claim to receive disability benefits are not the same thing.

In addition to electing the plan as a new hire, annual enrollment, or other qualifying event and having coverage become effective, you must be approved for any STD or LTD benefits. This includes a review process, which requires submitting satisfactory proof of loss to The Standard, per the contract.

If your disability claim is approved, you will receive benefits. If your claim is denied, you will have an opportunity to appeal that decision. Regardless of the claim decision, as long as you remain eligible, your election in the benefit stays the same and you will continue to have a withholding for that plan.\*

\* Premium will be waived if LTD benefits become payable.

# Basics of EOI (Evidence of Insurability)

## New hires and newly eligible

- Have 30 days from the date they become eligible to enroll without EOI.

## Current employees not already enrolled

- If application is during Annual Enrollment, you can still enroll in the plan, but you will be required to submit medical evidence of insurability and be approved by The Standard before your coverage will become effective.
- If application is due to a Qualifying Life Event (QLE) such as marriage, birth, adoption, divorce, and legal separation, EOI is not required.

**Note:** If previously denied, you can still apply again later. Enrollment is available with a qualifying life event, when you are newly eligible, or during open enrollment (EOI may be required).

# Basics of EOI (Evidence of Insurability)

If EOI is required, you will be prompted in Benefitfocus to complete a medical history statement.

## Providing Evidence Of Insurability means you must:

- Complete and sign a medical history statement;
- Sign a form authorizing The Standard to obtain information about your health;
- Undergo a physical examination, if required by The Standard; and
- Provide any additional information about your insurability that The Standard may reasonably require.

# Pre-Existing Condition/Treatment free period

## How the Pre-Existing Condition exclusion works:

- Applicable if filing a claim for a disability occurring within 12 months of becoming insured under the plan.
- The Standard will not pay benefits for any disability caused or contributed to by a pre-existing condition unless you (the insured) has:
  - Been on the plan for twelve continuous months at the time the disability occurred; or
  - Has served the entire 6-month Treatment Free Period without:
    - ✓ having consulted a physician;
    - ✓ received medical treatment, services or advice;
    - ✓ undergone diagnostic procedures; or
    - ✓ taken prescribed drugs or medications in connection with the Preexisting Condition

# Pre-existing Condition Exclusion Example

- Coverage effective date 1/1/23
- Cease work date - 8/31/23, 8 months after disability insurance became effective
- Date of disability – 9/1/23
- Disabling condition – Herniated Disc
- Medical Treatment
  - Claimant was seen on 9/15/22 for back pain and had x-rays. Had 12 physical therapy visits between 9/20/22 – 1/20/23 and took prescription pain medication and anti-inflammatories.
  - No treatment or medication between 1/21/23 – 7/31/23. Went back to the doctor on 8/1/23 for back pain.

## Pre-existing condition review period

- The 90-day period just before insurance became effective (10/3/22 – 12/31/22)

## Treatment Free Period

- Any continuous 6-month period during the Preexisting Condition Exclusion Period (1/1/23 – 12/31/23)

## Conclusion

- Employee was seen and/or treated during the 90-day pre-x period. However, they were not seen, treated and did not take prescription medication for a continuous 6-month treatment free period between (1/21/23 – 7/20/23). So the pre-existing condition exclusion would not apply to this disability claim.

# Pre-existing Condition FAQ

**If I have a pre-existing condition, should I still enroll in the Disability plan?**

Yes! You can still enroll in the Disability program even if you have a pre-existing condition. Pre-existing conditions will only be a factor in claims incurred within the first 12 months after you become insured. Another thing to keep in mind is that disabilities are often caused by accidents and not known health conditions.

**If an employee has previously had a heart attack, can they become insured under the disability plan?**

Yes, an employee can enroll in the Disability program if they've had a heart attack or other prior health condition. New hires or those with a Qualifying Life Event who enroll within 30 days are not required to answer any health questions. This is a limited opportunity for employees to enroll without providing Evidence of Insurability (EOI).

**Is diabetes considered a pre-existing condition? Does taking medication automatically result in a denial of benefits?**

Diabetes or any chronic condition where you take medication or have regular treatment is considered a pre-existing condition. However, the employee can still enroll in the plan under any opportunity that does not require EOI (e.g. new hire or QLE). A claim incurred by the employee more than 12 months after becoming insured will not be subject to a pre-existing condition investigation.

# Pre-existing Condition FAQ

If I file a claim less than 12 months after I become insured, will my pre-existing condition mean I'll be denied benefits?

It's possible. When a claim is incurred within the first 12 months, The Standard will conduct a pre-existing condition investigation to see if the condition that is causing your disability would exclude you from receiving benefits under this provision.

What if I file a claim more than 12 months after I become insured? Will my pre-existing condition mean I'll be denied benefits?

Not if you have been insured under the plan for 12 full months at the time you became disabled.

# Returning from LOA and Re-Enrolling

When you return from LOA, if benefits were cancelled while on LOA, you have 30 days to re-enroll in the NCFlex Voluntary Disability Plan (along with other NCFlex plans). Enrollment is completed in the online enrollment system.

- If you have been out on leave for less than 90 days, EOI is not required, *as long as you enroll timely, within 30 days from returning from leave*. However retro premiums will need to be collected\*.
- If you have been out on leave for more than 90 days, EOI is not required to re-enroll, *as long as you enroll timely, within 30 days from returning from leave*. In this situation you will have a gap in coverage.
- If you have applied and were/are in receipt of LTD benefits from The Standard, premiums are waived while LTD benefits are payable.

***\*The Standard does not accept direct bill payments. Please consult with your HR office for any past due payments.***



# Filing a Claim

## Reporting a Claim

You should report a claim as soon as you believe you will be absent from work beyond 14 calendar days. If you are uncertain about how long you will be absent or whether you should file a claim or not, you should go ahead and file a claim to give you some peace of mind and give The Standard time to begin its review and issue a timely payment if appropriate.

## How to File a Claim

Here are instructions to file a claim.

To File a Claim By	Contact
Telephone	Call The Standard's Claim Intake Service Center at <b>833-878-8858</b> .
Online	Go to <b>standard.com</b> and click on "File a Claim" to begin the claim process. Instructions will be provided through the entire claim submission process. Note: If you submit your claim online, the claim submission system will indicate a requirement for a Disability Insurance Employer's Statement to be received before a decision may be made on your claim. Although this is a requirement, you do not need to take this to your employer. Upon receipt of your Employee Statement, The Standard will reach out to your employer to obtain the necessary information needed for your claim.

## Time Limits on Filing Proof of Loss

You must give The Standard Proof of Loss within 180 days after the end of the Benefit Waiting Period. If you cannot do so, you must give it to them as soon as reasonably possible, but not later than one year after that 180-day period. If Proof of Loss is filed outside these limits, your claim will be denied. These limits will not apply while you lack legal capacity.

# Notes to Benefits Reps

## Exceptions

When submitting exceptions to NCFlex for employees who did not re-enroll timely after returning from a leave of absence, please give as much detail as possible.

## Employee Claims

When an employee files a claim with The Standard, the benefits rep is contacted to complete an Employer Statement Request. Filling these out timely helps the employee to receive their benefits quicker. We appreciate your support in providing necessary information to The Standard.

# Approved Claims Information

## Short-Term Disability

- Benefits are paid weekly in arrears for the prior week. Full week benefits are issued every Wednesday. Partial week benefits are issued off cycle depending on the dates payable.
- Benefits are paid by check and mailed to the recipient's residence.

## Long-Term Disability

- Benefits are paid monthly in arrears for the prior month after the 60-day STD period is complete.
- Benefits can be paid by check or direct deposit.

# Types of Claims being paid 2024

- **Short Term Disability**

- Musculoskeletal (32%), maternity (12% ) and accident (9%)
- The highest incidence of claims when we look at a single age band is for those ages 40-49 at 30%, this is followed closely by those ages 50-59 at 29%.

- **Long Term Disability**

- Musculoskeletal (39%), accident (17%) and mental (10%)
- The highest incidence of claims are for those ages 50-59 at 32%, followed closely by those ages 40-49 at 30%.
- 89% of claims are non-occupational.

- Agencies with the most claims: Health and Human Services, Dept of Adult Corrections and Public Safety

# TSERS Disability vs. NCFlex Disability

If you are a participant of the Teacher's and State Employee's Retirement System with at least 1 year of service, you are eligible for disability benefits through the state. The NCFlex Voluntary Disability Plan can help supplement this plan. Learn more in the [guide](#) on page 36. Following is the chart found in the guide.

The table summarizes how the NCFlex Voluntary Disability Plan works with and supplements the basic STD and basic LTD plans:

Your Service in TSERS	During this Period of Your Disability	Benefits Paid	
		Basic STD Plan and Basic LTD Plan	NCFlex Voluntary Disability Plan through The Standard
Less than 1 year	For as long as you are disabled, but not to exceed the maximum benefit period.	No benefit.	After the required waiting period, the plan pays 66⅔% of earnings up to \$750/week for the first 60 days and then 66⅔% of your monthly salary**, up to a maximum monthly benefit of \$12,500.

\*\*Minus deductible income.

# TSERS Disability vs. NCFlex Disability

Your Service in TSERS	During this Period of Your Disability	Benefits Paid	
		Basic STD Plan and Basic LTD Plan	NCFlex Voluntary Disability Plan through The Standard
1 through 4 years	First year of disability.	<b>STD:</b> After a 60-day waiting period, the plan pays 50% of your monthly salary up to \$3,000 per month*.	After the waiting period, the plan pays 66⅔% of earnings up to \$750/week for the first 60 days and then day 61 going forward, an additional 16⅔% (or more) of your monthly salary, bringing your total benefit to 66⅔% of your monthly salary**, maximum monthly benefit of the plan being \$12,500.
	Beginning second year of disability and continuing for as long as you are disabled, but not to exceed the maximum benefit period.	<b>Extended STD:</b> If disability is temporary but exceeding 1 year, the plan pays 50% of your monthly salary, up to a maximum of \$3,000 per month* for the second year only.  <b>LTD:</b> No benefit.	If you are approved for Extended STD, the plan pays the same benefit outlined for the first year of disability (see row above) for the second year of disability or until Extended STD ends. If you are not approved for Extended STD, or after Extended STD ends, the plan pays 66⅔% of your monthly salary**, up to a maximum of \$12,500 per month.

*\*Offsets may apply.*

*\*\*Minus deductible income.*



# TSERS Disability vs. NCFlex Disability

Your Service in TSERS	During this Period of Your Disability	Benefits Paid	
		Basic STD Plan and Basic LTD Plan	NCFlex Voluntary Disability Plan through The Standard
5 years or more	First year of disability.	<b>STD:</b> After a 60-day waiting period, the plan pays 50% of your monthly salary up to \$3,000 per month*.	After the waiting period, the plan pays 66⅔% of earnings up to \$750/week for the first 60 days and then day 61 going forward, an additional 16⅔% (or more) of your monthly salary, bringing your total benefit to 66⅔% of your monthly salary**, maximum monthly benefit of the plan being \$12,500.
	Beginning second year of disability and continuing for as long as you are disabled, but not to exceed the maximum benefit period.	<b>LTD:</b> The plan pays 65% of your monthly salary, up to \$3,900*.	The plan will pay a benefit to make you whole up to 66⅔% of your monthly salary**, up to a maximum of \$12,500 per month. The plan will pay a minimum of \$100/month or 10% of the LTD benefit (whichever is greater).

*\*Offsets may apply.*

*\*\*Minus deductible income.*

# Contacts

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NCFlex:

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# Thanks for Attending