

Benefits



Yeshiva University Long Term Disability Plan

The Tax Choice Long Term Disability (LTD) plan for eligible faculty and staff provides protections against the loss of income in the event of a “disability” which prevents a covered participant from working. Currently the cost of this protection is paid by the University. You become eligible for the plan on the **1st** business day of the month coincident with or following your date of hire provided that you are actively at work for the University on that date. If you are not actively at work for the University on the day the LTD coverage would normally become effective, the insurance coverage will not go into effect until the day you return our commence active employment. All determinations of “disability” are made by the insurance carrier, which is solely responsible for plan administration and claims approval.

Disability Benefits

Disability means that because of an injury or illness:

- you cannot perform the essential duties of your regular job; and
- after benefits have been paid for 24 months you cannot perform the essential duties of any gainful occupation for which you are qualified by training, education or experience,
- and, you require the regular care of a physician.

The monthly disability benefit will cease on the date you are no longer disabled or the end of the maximum benefit period, whichever occurs first:

<i>Age at Disability</i>	<i>Maximum Benefit Period</i>
Less than age 60	to age 65
Ages 60-64	5 years
Ages 65 to 69	to age 70 but not less than 1 year
Age 70 and over	1 year

Monthly benefits are payable after you have been disabled for 180 consecutive days. The monthly benefit is the lesser of:

- 66.67% of basic monthly earnings less other income benefits if you have elected the taxable benefit option;
- 60% of basic monthly earning less other income benefits if you have elected the tax free benefit option;
- The maximum monthly benefit of \$20,000.

“Basic monthly earnings” means the monthly regular rate of earnings in effect prior to the date disability begins. It does not include bonuses, overtime pay, private practice distributions, royalties or any other extra special compensation. “Other income benefits” means any benefit which you are eligible to receive from Workers’ Compensation, Social Security, statutory disability law, salary continuance, other group insurance plan or similar arrangement.

Choosing a Tax-free or Taxable Option

You may choose between a *tax-free* or *taxable* long term disability benefit option. The University pays the premium cost regardless of which option you choose. The difference between the two options is (1) the amount of long term disability benefits you will receive if you become disabled, and (2) the amount of income taxes you will pay.

Under the *taxable* option:

- You would receive 66.67% of your basic monthly earnings less other income benefits up to a maximum benefit of \$20,000 per month, if you were to become disabled and could not work,
- The LTD premium paid by the University will **NOT** be charged to you as imputed income and you will not pay the income taxes on the premium, and therefore, **any disability benefit you receive will be taxable income to you.**

Under the *tax-free* option:

- You would receive 60% of your basic monthly earnings less other income benefits up to a maximum benefit of \$20,000 per month, if you were to become disabled and could no longer work,
- The LTD premium paid by the University will be charged to you as imputed income and you will pay the income taxes on the premium, and therefore, **any disability benefit you receive will be tax-free to you.**

Once you enroll in the plan and choose between the *taxable* and *tax-free* option, you may not change your election until the next open enrollment period. If you do not choose between the tax-free or taxable option, you will be defaulted to the taxable option.