

Employer-paid and Employee-paid

Long-Term Disability (LTD) Insurance

SEBB Administration Manual
for SEBB Benefits Administrators

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Introduction

This manual is intended for use as a reference tool only. The purpose of this manual is to assist you in the administration of the Long-Term Disability (LTD) benefit plan. If there is inconsistency with this manual and the LTD Plan Booklet, the LTD Plan Booklet takes precedence.

If you have questions about eligibility or enrollment, please contact:
Outreach and Training

1-800-700-1555 | [HCA Support](#)

Benefits are underwritten by Standard, Portland, OR. For the purposes of this manual, The Standard Insurance Company will be referred to as “Standard.”

Reminders:

- After January 1, 2022, an employee at any time may elect to reduce employee-paid LTD to the 50% coverage plan without Evidence of Insurability (EOI) or fully decline employee-paid LTD. The effective date of the change in coverage will be the first day of the month following the date the employer receives the election.
- An employee who seeks to increase coverage from the 50% coverage plan to the 60% coverage plan, or access previously declined employee-paid LTD, will be subject to EOI. The effective date of the change in coverage will be the day of the month the contracted vendor approves the required form.
- LTD premiums are NOT based on a monthly salary that is over \$16,667. For example, if an employee makes more than \$16,667 a month, they are only able to insure up to \$16,667 of their income on a monthly basis.
- SEBB My Account manuals can be found at <https://www.hca.wa.gov/sebb-benefits-admins/manuals>.
- More LTD information & resources can be found at <https://www.hca.wa.gov/sebb-benefits-admins>.

Plan Reference Information

Policyholder: Washington State Health Care Authority

Group Policy Number: 756494-A

Group Policy Effective Date: January 1, 2020 and as amended

Eligibility or Enrollment Questions: Outreach and Training Phone:

1-800-700-1555

Email: [HCA Support](#)

Claims: Employers will submit paper employer statements. Employees can use one of the methods below to submit a claim.

Telephonic: 1-833-229-4177

Mail: The Standard Insurance Company
Employee Benefits Department
PO Box 2800
Portland, OR 97208-2800

Fax: 971-321-8400

Online: www.standard.com

(To file a claim online, go to the above address and click on “File a Group Insurance Claim” on the middle right side of the screen to begin the claim process. Instructions will be provided through the entire claim submission process.)

Forms

Forms are available at the [SEBB Benefits Administrator website](#).

Download:

From the menu on the left, Forms and Publications > Long-term disability (LTD insurance):

Long-Term Disability LTD Booklet

Long-Term Disability Enrollment/Change form

Long-Term Error or Discrepancy Correction form

Long-Term Disability Evidence of Insurability form

Long-Term Disability Claim Packet

Eligibility

- School employees eligible for the employer contribution toward SEBB benefits as described in [WAC 182-31-040](#) are eligible for and will be automatically enrolled in Employer-paid LTD insurance and Employee-paid LTD insurance. The school employee can reduce or decline Employee-Paid LTD insurance at any time.
- School employees eligible under [WAC 182-30-130](#) are not eligible for employer-paid or employee-paid LTD insurance.

Employer-paid LTD insurance is paid by the employer. Employee-paid LTD insurance is paid by the school employee.

Application Procedures

EOI approval is not required when:

The school employee:

- Makes elections in SEBB My Account or submits the Long-Term Disability Enrollment/Change form no later than 31 days after the date of initial eligibility; or
- Requests to reduce or decline their Employee-paid LTD insurance.

Employer process when a school employee submits a paper form:

1. Review the *LTD Enrollment/Change* form for accuracy. Ensure the school employee has completed the appropriate sections and signed and dated the form.
2. Complete the *To Be Completed by Employee's Payroll or Benefits Office Staff* section of the form.
 - a. Employee-paid LTD insurance is effective as follows:

If the school employee's first day of work is on or after September 1st, but not later than the first day of school for the current school year as established by the Employer, they are eligible for the employer contribution on their first day of work. The school employee's Employer-paid LTD insurance will begin the first day of work. If the school employee is eligible at any other time, the school employee's Employer-paid LTD insurance will begin the first of the month following the date the school employee becomes eligible for the employer contribution toward SEBB benefits.

3. Enroll the school employee in Employee-paid LTD insurance in SEBB My Account.
4. File the original enrollment/change form in the school employee's file. Do not forward the enrollment form to Standard.

Note: SEBB My Account automatically calculates the LTD effective date, based on the date you enter the enrollment. If you are delayed in entering the enrollment in SEBB My Account, contact Outreach and Training before you enter it into the system. If back Employee-paid LTD insurance premiums are due, notify the school employee and collect the back Employee-paid LTD insurance premiums.

EOI approval is required when:

The school employee increases coverage or applies for coverage after previously declining Employee-Paid LTD insurance after their first 31 days of initial eligibility.

- The school employee must complete both the LTD Enrollment/Change form and the Evidence of Insurability form. The LTD Enrollment/Change form must be submitted to the school employee's Employer and the Evidence of Insurability form to Standard for approval.

Employer process:

If the school employee submitted a paper form, review the *LTD Enrollment/Change* form for accuracy. Ensure the school employee has completed the appropriate sections and signed and dated the form.

1. Complete the *To Be Completed by Employee's Payroll or Benefits Office Staff* section of the form.
2. Remind the school employee to send the *Evidence of Insurability* form to Standard. If the school employee submitted the form to you with the enrollment/change form, you may send the *Evidence of Insurability* form to Standard.

Note: Standard Insurance Company does not require a copy of the enrollment/change form when carrier evidence of insurability approval is required. Do not send Standard the enrollment/change form.

3. File the original enrollment/change form in the school employee's file.

After the EOI decision:

1. The Employer and school employee will receive an EOI approval or declination letter from Standard when the underwriting of the application has been completed.
2. Review the letter for accuracy and verify EOI approval was required. Contact Standard if approval was not required.
3. If the EOI was approved, check the Employee-paid LTD insurance box in SEBB My Account. The effective date of the coverage is the day of the month Standard approves the required form and the new LTD premium deduction will begin the first of the month following the effective date of the coverage. Refer to the SEBB My Account Manual for instructions.

Note: SEBB My Account automatically calculates the LTD effective date. Based on the date you enter the enrollment. If you are delayed in entering the enrollment in SEBB My Account, contact Outreach and

Training before you enter it into the system. If back Employee-paid LTD insurance premiums are due, notify the school employee and collect the back Employee-paid LTD insurance premiums.

4. If the EOI was denied, no action is necessary in SEBB My Account as the school employee will not have Employee-paid LTD insurance per Standard's denial.
5. Attach the Employer copy of the EOI approval or declination letter to the *LTD Enrollment/Change form* and place in the school employee's file.

LTD EOI approval or declination letter

A letter will be issued by Standard when a school employee applies to increase coverage or applies for coverage after previously declining Employee-Paid LTD insurance after the first 31 days of initial eligibility.

When Standard makes a decision, an *EOI approval or declination letter* will be issued to the Employer and the school employee.

The *EOI approval or declination letter* indicates if the coverage is approved, denied, or the request is closed. A request may be closed if Standard does not receive all requested information from the school employee in a timely manner. Standard may re-open a closed request when it receives the information.

Below are some special circumstances that may arise upon receiving the *EOI approval or declination letter*:

1. LTD insurance was declined, but school employee enrolled no later than 31 days after the date of eligibility*.

When you receive an *EOI approval or declination letter*, check the date of eligibility and the date the school employee elected Employee-paid LTD insurance in SEBB My Account or the hire date/date of eligibility and the date the employer receives the enrollment form. Approval is not required when the school employee elects Employee-paid LTD insurance or submits the form no later than 31 days after the date of eligibility. If you receive an *EOI approval or declination letter* for an application that did not require approval, call Standard, explain the situation, and request Standard change their records.

Note: *SEBB My Account automatically calculates the LTD effective date. Based on the date you enter the enrollment. If you are delayed in entering the enrollment in SEBB My Account, contact Outreach and Training before you enter it into the system. If back Employee-paid LTD insurance premiums are due, notify the school employee and collect the back Employee-paid LTD insurance premiums.*

2. If you receive a closure or denial and at a later date, receive an approval, overturning the previous decision, enter the approval in SEBB MyAccount. If you have any questions regarding the approval, contact Standard.

Note: *SEBB My Account automatically calculates the LTD effective date. Based on the date you enter the enrollment. If you are delayed in entering the enrollment in SEBB My Account, contact Outreach*

and Training before you enter it into the system. If back Employee-paid LTD insurance premiums are due, notify the school employee and collect the back premiums.

****First 31 days of eligibility** – The 31 days begins on the first day the school employee is eligible for the employer-contribution toward SEBB benefits.*

School Employees with Approved Leave

If a school employee lost eligibility for the employer contribution and regains eligibility when returning from leave:

1. Reinstate Employer-paid and Employee-paid LTD insurance effective the first day of the month in which the school employee regains eligibility for the employer contribution toward SEBB Benefits.

***Note:** School employees who are on an approved leave of absence can continue their long-term disability (LTD) insurance as long as they are eligible for the employer contribution (meaning that they have already worked at least 630 hours or are still anticipated to work 630 hours during the school year). If they are not eligible for the employer contribution, then LTD insurance cannot be continued per WAC 182-31-100.

For school employees on an approved leave of absence who will maintain eligibility for the employer contribution (by working the 630+ hours/year):

- Employer-paid LTD insurance is continued with premium payment paid by the Employer for the remainder of a given school year, as long as the school employee is eligible for the employer contribution and works or is anticipated to work 630 hours or more per year.
- For Employee-Paid Insurance: During a Leave Of Absence (providing that the school employee maintains eligibility for Employer-Paid Insurance), the following will apply:
 - During the first 90 days insurance will be continued, and premium payments are waived for Employee-Paid Insurance. Premiums for Employer-Paid Insurance will continue to be remitted by the Employer.
 - Beginning on day 91 and continued through the end of the School Year, insurance will continue providing premium payments are remitted by the employee to the Employer.

***Note:** When you have a benefits eligible employee who is enrolled in employee paid LTD and who maintains their eligibility for SEBB benefits after going on a leave of absence, you will need to make an adjustment to your payroll system (not SMA) so you don't take a deduction for the employee for up to 90 days. Once the 90-day period has been reached, you should adjust your payroll system to start taking the deduction again (assuming they are still on a leave of absence at that time and still eligible for SEBB benefits). The SMA monthly billing file only reflects who is enrolled in LTD which means that you will continue to see the LTD "coverage rate" for that employee on your SMA monthly billing invoice during that 90-day period. Do not term the employee paid insurance in SMA to avoid seeing the rate on your invoice, because when you then attempt to re-enroll them back into their coverage, they will now be required to provide EOI.

Claim Procedures

LTD claims should be filed as soon as the school employee's last day (physically) on the job is known. Do not wait for leave to be exhausted to file the claim. Leave balances are verified for purposes of determining when the benefit payment period begins.

Employers will submit paper employer statements. School employees have three options to file a claim:

- Telephone
- Online
- Paper

Telephonic Claims

Employee process:

1. School employee to call the toll-free number 1-833-229-4177.
2. The Standard Intake Unit will interview the school employee and complete the employee statement of the claim form. School employee will receive a claim number at the end of the call and an acknowledgement letter is sent either through email or USPS. The employee is asked to have their employer complete the hard copy employer statement.

Online Claims

Employee process:

1. Go to www.standard.com. Create an account (if the employee doesn't already have one).
2. Click on "File a Group Insurance Claim" on the middle right side of the screen to begin the claim process. Instructions will be provided through the entire claim submission process. The employee will be asked to have their employer complete the hard copy employer statement.

Paper Claims

Employer process:

1. Complete the *State of Washington Long-Term Disability Claim Employer's Statement*.
 - **Section 1** – Enter the school employee's personal information. Include the school employee's job title and job classification. The job classification information should include whether the school employee is full-time, part-time, permanent, temporary, etc.
 - **Section 2** – Include all benefit and work information.

- **Section 3** – Enter the school employee’s salary information—current salary, previous salary, and the effective date of the last increase. Salary information may be entered as weekly, hourly, monthly, or an annual rate.
 - **Section 4** – Include all banked sick leave, shared leave, and annual leave.
 - **Section 5** – Answer all questions.
 - **Section 6** – Answer “No” to the first question. HCA does not purchase the school employee life insurance through Standard.
 - **Section 8** – Complete the employer information.
2. Send the completed *Long-Term Disability Employer's Statement* to Standard. Include copies of the school employee's *LTD Enrollment/Change* form, if a paper form(s) are available, and the requested documentation in section 7 of the Employer’s Statement.

Standard has the following minimum requirements for documenting pre-disability earnings (PDE):

- Payroll documentation is **not** required if the school employee’s PDE is less than \$5,000 per month.
- If the school employee’s PDE is from \$5,000 to \$8,999 per month, payroll documentation is required from the school employee’s last day worked and the three calendar months prior to the date of disability.
- If the school employee’s PDE is \$9,000 and above payroll documentation is required from the 12 months prior to the last day worked and continuing to the most recent day paid plus a copy of the school employee’s prior year W2.

Payroll information is defined as payroll records, pay stubs, or other documents produced via a payroll software system. Payroll information must include year- to-date information wherever available.

Long-Term Disability Claim Submission Options:

- Mail to Standard Insurance Company at PO Box 2800, Portland OR, 97208-2800
 - Employer statement
 - Enrollment/Change form
 - Any required PDE documents
- Fax the forms to 971-321-8400
 - Employer statement
 - Enrollment/Change form
 - Any required PDE documents

- Send the School Employee's Statement to the school employee.
 - **School Employee's Statement** - The school employee should complete and return this form to Standard with attached copies of requested documents. (See the instructions on the first page of form). Included in the School Employee's Statement are:
 - **Authorization to Obtain Information** – School employee must sign and date this form and return with the School Employee's Statement
 - **Authorization to Obtain Psychotherapy Notes** -School Employee must sign and date this form and return with the School Employee's Statement
 - **Attending Physician's Statement** - Part A is completed by the school employee. Part B is completed by the school employee's physician. The physician must return this to Standard.
3. Continue to collect the Employee-paid LTD insurance premiums until you receive Standard's decision.

Employee process:

Employee will follow the instructions on the claim packet.

After the EOI decision:

1. Standard will send a copy of the coverage letter to the Employer and school employee. If approved, the school employee will receive payment with the EOB.
2. If approved and the school employee is still active, the Employer will refund any Employee-paid LTD insurance premiums as applicable for the approved claim to the school employee.

Returning to work after a disability claim:

The Employer must notify Standard any time there is a change in work status of the school employee.

- If the school employee returns to work part-time
- If the school employee returns to work part-time, then returns to full-time
- If the school employee returns directly to full-time

When the school employee returns to work full-time, regular duties, the employer will reinstate Employee-paid LTD insurance, effective the first day of the month following the day the school employee returns to work. Refer to the SEBB My Account Manual for instructions. If coverage is not re-entered, premiums will not be deducted, and coverage will not be reinstated.

An *LTD Employee Enrollment/Change* form is not required when the school employee returns to work. Enroll the school employee in the same coverage as before the claim. If the school employee

would like to change coverage, refer to the *Application Procedures* section earlier in this manual.

Employer-paid LTD insurance Billing Administration

The Employers are responsible for paying HCA the Employer-paid LTD insurance premiums. HCA will then pay Standard for all employer contributions for the Employer-paid LTD insurance. Employers will remit payment to Standard for the Employee-paid LTD Insurance only.

Employee-paid LTD insurance Billing Administration

Employee-paid LTD insurance Premiums:

Employee-paid LTD insurance billing will be handled on a self-administered basis (this means that the Employers are the record keepers). Since LTD insurance is an income replacement plan (income based), the Employers are responsible for deducting premium payments from school employees' paychecks based on each school employee's Insured Earnings.

Insured Earnings is defined as the first \$16,667 of each eligible school employee's monthly pre-disability earnings (for a 12-month billing cycle). Insured Earnings includes any additional time, responsibility, and incentive (TRI Pay) earnings and is also defined as a school employee's gross monthly rate of earnings from their Employer. Insured Earnings does not include bonuses, commissions, overtime pay, shift differential pay, optional stipends, or any other extra compensation. If a school employee is paid hourly, their monthly rate of earnings is based on the number of hours the school employee is regularly scheduled to work per month, but not more than 173 hours. If a school employee does not have regular work hours, the monthly rate of earnings is based on the average number of hours worked per month during the preceding 12 calendar months (or during the period of employment if less than 12 months), but not more than 173 hours.

If your SEBB organization works with WSIPC and you need help setting up TRI Pay in the Skyward system to correctly calculate LTD premiums, please contact your Information Support Center or District Finance Coordinator.

HCA will provide Employers the following LTD information on the SMA Monthly Billing File beginning 4/16/22:

- -Employee-paid LTD enrollment by plan indicator:
 - Valid values are:
 - D (default 60 % coverage)
 - B (buydown 50% coverage)
 - N (decline, not enrolled)
- 60% coverage rates and 50% coverage rates as applicable through the SEBB MyAccount (SMA) billing file.

The Employers will take the Employee-paid LTD insurance rates provided by HCA and multiply it by the school employee’s Insured Earnings (including TRI Pay earnings) to calculate the Employee-paid LTD insurance premium that will be deducted from the school employee’s paycheck. Premium payments for the Employee-paid LTD insurance will be taken through post-tax employee payroll deductions by Employers. The Employers will be responsible for submitting monthly Employee-paid LTD insurance premium payments to Standard.

Employers can use the on-demand Employee-Paid LTD Enrollment Changes report in SMA to obtain a list of which LTD plan employees are enrolled in. Please note that the Employee-Paid LTD Enrollment Changes report is a real-time report, with the latest LTD enrollment changes. It is NOT a snapshot in time, like the monthly billing file. HCA is currently exploring the possibility of adding a timestamp to the Employee-Paid LTD Enrollment Changes report (this would give Employers the ability to pull the report from a specific date) and a column with the employee’s full SSN.

Below is a sample of the Employee-Paid LTD Enrollment Changes report:

Select a report*

Employee-Paid LTD Enrollment Changes

Organization Name

Run report

Download

Subscriber Last Name	Subscriber First Name	Last 4 Of SSN	Previous LTD Plan	Previous LTD Effective Date	Changed To LTD Plan	New LTD Effective Date	Date Change Made
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
			50 percent plan	1/1/2022			
			Decline	1/1/2022			
			Decline	1/1/2022			
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
			60 percent plan	1/1/2022			
Popp	Sam		60 percent plan	1/1/2022	60 percent plan	1/1/2022	12/27/2021
Popp	Sam		60 percent plan	1/1/2022	50 percent plan	1/1/2022	1/4/2022
Wats	De		60 percent plan	1/1/2022			

The SEBB rates are as follows:

These rates are based on the employee's age on January 1, 2022.

Age	60-percent coverage	50-percent coverage
29 and under	0.0011	0.0007
30 to 34	0.0015	0.0009
35 to 39	0.0023	0.0014
40 to 44	0.0032	0.0019
45 to 49	0.0044	0.0026
50 to 54	0.0060	0.0036
55 to 59	0.0072	0.0044
60 to 64	0.0075	0.0045
65 and older	0.0076	0.0046

Standard resources for how to remit employee-paid LTD premiums to Standard:

- LTD Premium Calculation Job Aid (SI 22626-756494)
https://www.standard.com/eforms/22626_756494.pdf
- Invoice Job Aid Sample (SI 22627-756494)
https://www.standard.com/eforms/22627_756494.pdf
- AdminEASE Online Bill Pay Customer Support Job Aid (SI 22628-756494)
https://www.standard.com/eforms/22628_756494.pdf
- Premium Payment Letter (SI 22629-756494)
https://www.standard.com/eforms/22629_756494.pdf

Employee-paid LTD insurance Premium Due date:

Employee-paid LTD insurance premiums are due for the current month. For example, Employee-paid LTD insurance premium for January is due January 1st. There is a 60 day grace period. Premium is due to Standard no later than 60 days after the first of the month in which payment is for.

Refunding Employee-paid LTD insurance premiums when necessary:

Employers will refund the premium to the school employee(s) when appropriate according to SEBB Program Rules and the SEBB LTD Policy. The Employer should then take a credit on the next billing statement and payment to Standard in an amount that is equal to and reflects the premium refund provided to the school

employee(s). Employers should provide the credit amount taken on the billing statement as a separate line item as well as a description of what the credit is for.

Standard contact info for Employee-paid LTD insurance billing questions:

All billing related inquiries and remittance can be directed to: SEBBbillingsupport@standard.com

Primary Billing Contact:

Cindy Bofinger

Cindy.Bofinger@standard.com

971.321.4653

Employee-paid LTD insurance Payment Options with Standard:

- AdminEASE Online Bill Pay Option
- Paper/Check/ACH/Wire Transfer Option

Appendix

Enrollment and change form sample

WA Health Care Authority
School Employees Benefits Board (SEBB) Program
Long Term Disability (LTD) Insurance
Enrollment and Change Form

Standard Insurance Company

To Be Completed By Employee Applying for Coverage Making a Change

Return completed form to your payroll or benefits office.

Your Name (Last, First, Middle)	Your Social Security Number	Birth Date	Employee I.D. Number	
Your Address		City	State	Zip Code
Former Name (Last, First, Middle) <i>Complete only if you are reporting a name change</i>		Phone Number	<input type="checkbox"/> Male <input type="checkbox"/> Female	
Job Title/Occupation				
Long Term Disability (LTD) Insurance Coverage I wish to: <input checked="" type="checkbox"/> Enroll in Employer-Paid LTD <input type="checkbox"/> Enroll in the 60% income replacement Employee-Paid LTD <input type="checkbox"/> Enroll in the 50% income replacement Employee-Paid LTD <input type="checkbox"/> Decline/cancel Employee-Paid LTD If you wish to enroll or increase your Employee-Paid LTD coverage more than 31-days after becoming eligible for SEBB Program benefits, you must also complete the LTD Evidence of Insurability form available at hca.wa.gov/sebb under <i>Forms and publications</i> . You may request a paper form from your employer. Note: Send the Evidence of Insurability form to Standard Insurance Company (The Standard) at 900 SW 5 th , Portland, OR 97204-1282 or call The Standard at 1-800-368-2860. The Enrollment and Change Forms are maintained by the SEBB employer and should not be sent to The Standard.				

Signature I wish to make the changes selected on this form. If electing coverage, I authorize deductions from my wages to cover the cost of my contribution, if required, toward the cost of insurance. I understand that my deduction amount will change if my coverage or costs change.

If declining or canceling Employee-Paid LTD coverage, I understand that if I want to become insured later, I will be required to provide The Standard with satisfactory Evidence of Insurability, and that The Standard will have the right to refuse my request for insurance. I understand that coverage(s) not specifically elected will not become effective, even if not marked as declined/canceled above.

This form replaces all previous forms and submissions I have made for the SEBB Program's Long Term Disability coverage.

Employee Signature Required _____ Date (Mo/Day/Yr) _____

Return completed form to your payroll or benefits office.

To Be Completed By Payroll or Benefits Office Staff

Employer Name WA Health Care Authority School Employees Benefits Board (SEBB) Program	Group Number 756494	Effective Date of Coverage <i>(if no approval required)</i>
Agency Name	Agency Code	
Current Agency Hire Date	Initial Eligibility Date for SEBB Benefits	
Hours Worked Per Week	Earnings \$ _____ Per: <input type="checkbox"/> Hour <input type="checkbox"/> Week <input type="checkbox"/> Month <input type="checkbox"/> Year	

EOI approval or declination letter sample



December 31, 2019

WASHINGTON STATE HEALTH CARE AUTHORITY
PO BOX 42691
OLYMPIA, WA 98504

NOTICE OF APPROVAL GROUP INSURANCE COVERAGE

POLICY OWNER: WA STATE HCA - SEBB

GROUP POLICY NUMBER: 756494

APPLICANT: John Doe

MEMBER IDENTIFICATION: John Doe
1234

COVERAGE(S) APPROVED / AMOUNT OF COVERAGE(S):
Buy-up Long Term Disability/Per Contract

**DATE EVIDENCE OF
INSURABILITY APPROVED:** December 31, 2019

The applicant named above has been approved for group coverage with Standard Insurance Company.

This approval notice is subject to all terms and conditions of the group policy and state limitations.
Premiums should be deducted in accordance with the provisions of the group policy.

If you have any questions regarding this letter, please write to the address below or call (800) 843-7979.

Sincerely,

Medical Underwriter
Employee Benefits Division

Employee Benefits Medical Underwriting
900 SW Fifth Avenue Portland OR 97204-1282
Email musc@standard.com Fax 971-321-5994
Standard Insurance Company - A subsidiary of StanCorp Financial Group, Inc.

EI: 4644742



December 31, 2019

WASHINGTON STATE HEALTH CARE AUTHORITY
PO BOX 42691
OLYMPIA, WA 98504

NOTICE OF DECLINATION OF GROUP INSURANCE COVERAGE

POLICY OWNER: WA STATE HCA - SEBB

GROUP POLICY NUMBER: 756494

APPLICANT: John Doe

MEMBER IDENTIFICATION: John Doe
1234

COVERAGE(S) DENIED: Buy-up Long Term Disability

The insurance coverage requested by the applicant named above has been declined. This declination does not affect guarantee-issue amounts, types of coverage not subject to evidence of insurability or amounts of insurance already in force.

The individual applicant has been notified of the denial and advised of the reason for declination. If you have any questions regarding this letter, please write to the address below or call (800) 843-7979.

Sincerely,


Medical Underwriter
Employee Benefits Division

Employee Benefits Medical Underwriting
900 SW Fifth Avenue Portland OR 97204-1282
Email musc@standard.com Fax 971-321-5994
Standard Insurance Company - A subsidiary of StanCorp Financial Group, Inc.

EI: 4644742

Explanation of benefits samples

Employer-paid coverage letter sample



January 20, 2020

John Smith
1234 NE 50th Ave
Seattle, WA 00000

Group Name: State of Washington - SEBB
Policy Number: 756494
Claim Number: 00XX0000

Dear Mr. Smith:

We are pleased to inform you that your Long Term Disability (LTD) claim with Standard Insurance Company (The Standard) has been approved. This letter explains your benefits and answers questions about your claim, which is administered under the terms of your Group Policy. For specific policy information, refer to your Certificate of Insurance or Summary Plan Description.

When will you receive your benefits?

We have determined that you became disabled on January 15, 2020. You must be disabled throughout your Benefit Waiting Period of 90 days before benefits become payable. Your Benefit Waiting Period will end on April 13, 2020.

Your first payment of \$400.00 is for the period from April 14, 2020, through May 13, 2020. Your monthly Explanation of Benefits Statement details your benefit calculation. Your first payment is due to you by May 14, 2020. If you remain eligible for ongoing benefits, you should receive payment by the 14th day of each month.

How is your disability benefit calculated?

The formula used to calculate your LTD benefits is 60% of your monthly Predisability Earnings, as specified in your Group Policy. Our records show your Predisability Earnings were \$5,000.00 per month. Therefore, your maximum benefit payable is \$400.00 per month.

Standard Insurance Company
900 SW Fifth Avenue
Portland OR 97204
tel 971.321.7000

Your LTD benefits may be reduced by any Deductible Income that you or your dependents receive or are eligible to receive as a result of your disability or retirement (including, but not limited to, sick leave or salary continuation, Social Security, Workers' Compensation, State Disability benefits, work earnings, and/or retirement benefits).

How does income or benefits you receive from other sources affect your disability benefits?

If you are awarded income in the future, or you return to work or recover from your disability, please notify our office immediately to ensure your LTD benefits are issued accurately and to minimize possible overpayment of your claim.

You may experience a delay in receiving Deductible Income because other benefit plans, such as Social Security and retirement plans, have eligibility requirements that are different from The Standard. When awards are made, they may be paid retroactively for a period when you received LTD benefits without deduction for this other income. This may result in an overpayment of your claim. It is your responsibility to reimburse The Standard immediately for any overpayment of your LTD claim.

May you return to work and continue to receive benefits?

If you return to work, either part-time or full-time for any employer, notify us immediately. If you are working while Disabled, you may be eligible for a Return to Work Incentive benefit. Contact us and we will be happy to discuss this in further detail, including your return to work plans and how we may assist you.

What are your options for benefit payments?

- *Direct deposit:* If you would like the convenience of having your LTD benefit directly deposited into an account you designate, please complete and return the enclosed Electronic Funds Transfer (EFT) form.
- *Check via US Postal Service:* If you do not choose any other payment option, your LTD benefit check will be automatically sent by mail.

Are your benefits taxable income with the Internal Revenue Service (IRS)?

Our records indicate your employer paid 100% of the premium. The portion of your LTD benefits subject to Federal Income Tax is the percentage of premium paid by your employer. Thus, 100% of your LTD benefits are taxable.

To ease your financial obligation at tax time, you may elect to have a portion of your LTD benefit withheld for **Federal Income Tax**. The minimum that can be withheld is **\$90.00 per month**. A form is enclosed for your use if you would like to request this withholding. Since tax laws are complicated, we request that you consult the IRS or your own tax consultant regarding

any tax questions you may have. In addition, you may want to request a copy of Publication 524 "Credit for the Elderly and Totally and Permanently Disabled," from the IRS.

Are your benefits subject to Social Security and Medicare (FICA) taxes?

If you paid into the Social Security and/or Medicare systems, your LTD benefits may be subject to Social Security and/or Medicare taxes. As explained above, the taxes apply to 100% of your LTD benefits. The taxes will only apply to benefits paid during the first six complete calendar months after you cease work and to benefits paid if you return to work for your same employer.

How will you know what to report on your tax returns?

We are required by law to report to the IRS the amount of benefits we pay you. These are classified as sick pay benefits by the IRS. Thus, by the end of January, you will be sent a W-2 form from us showing the total amount of taxable benefits you received during the preceding calendar year.

Will you have to provide any additional information?

We will review your claim periodically to confirm your continued disability and eligibility for benefits. We may need additional information, such as updated medical statements. It is your responsibility to provide this information. After a period of time the definition of disability may change, which would require a review of your claim.

Summary

We hope that the above information helps you understand your LTD benefits from The Standard. You can help us properly administer your claim by promptly notifying us of any changes to your medical condition, employment status, or deductible income you receive. Please promptly respond to any future requests for information. If you wish to take advantage of any of the services mentioned in the attached form(s), please complete the applicable form and return to us in the enclosed postage-paid envelope.

We appreciate your continued cooperation and assistance. If you have any questions about this letter or your claim, please write or call me.

Sincerely,

Annie Analyst
Disability Benefits Analyst
(800) 368-1135 Ext. xxxx

Enclosures: IRS Form W-4S
Automatic Electronic Deposit Request

Employee-paid coverage letter sample



January 20, 2020

John Smith
1234 NE 50th Ave
Seattle, WA 00000

Group Name: State of Washington - SEBB
Policy Number: 756494
Claim Number: 00XX0000

Dear Mr. Smith:

We are pleased to inform you that your Long Term Disability (LTD) claim with Standard Insurance Company (The Standard) has been approved. This letter explains your benefits and answers questions about your claim, which is administered under the terms of your Group Policy. For specific policy information, refer to your Certificate of Insurance or Summary Plan Description.

When will you receive your benefits?

We have determined that you became disabled on January 15, 2020. You must be disabled throughout your Benefit Waiting Period of 90 days before benefits become payable. Your Benefit Waiting Period will end on April 13, 2020.

Your first payment of \$3,000.00 is for the period from April 14, 2020, through May 13, 2020. Your monthly Explanation of Benefits Statement details your benefit calculation. Your first payment is due to you by May 14, 2020. If you remain eligible for ongoing benefits, you should receive payment by the 14th day of each month.

How is your disability benefit calculated?

The formula used to calculate your LTD benefits is 60% of your monthly Predisability Earnings, as specified in your Group Policy. Our records show your Predisability Earnings were \$5,000.00 per month. Therefore, your maximum benefit payable is \$3,000.00 per month.

Standard Insurance Company
900 SW Fifth Avenue
Portland OR 97204
tel 971.321.7000

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Annie Analyst
Disability Benefits Analyst
(800) 368-1135 Ext. xxxx

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Automatic Electronic Deposit Request