



## **Short Term (STD) and Long Term (LTD) Disability Plan Overview.**

**Purpose:** In today's working environment the need for Short Term Disability (STD) and Long Term Disability (LTD) Insurance has never been in greater demand than now. Employers know that benefits are crucial to attract and retain valued employees and to protect them and their families from financial hardships. Disability can reduce productivity for your organization and create income loss for your employees. A number of companies provide health, dental, vision and life insurance; but overlook a critical element of the comprehensive benefits package--- disability insurance.

### **Facts about today's American workforce:**

- One in five Americans will experience a long term disability during their working years.
- Disabilities lasting more than 90 days tend to last for years.
- Every 30 seconds someone files for bankruptcy in the aftermath of a serious medical problem.

STD/LTD programs can help employers receive full value from their investment in benefits by delivering services that will attract and retain employees.

STD/LTD has become an important part of a complete financial security plan for the employee.

### **Reasons why an employer should have STD/LTD and what makes the Employers Resource/Standard Insurance program unique:**

- Low cost
- Fully employer paid
- Attracts and retains best in class employees
- Multiple and flexible options for STD and/or LTD insurance to meet employer and employee needs
- Return to work incentives
- Employer reimbursement for Reasonable Accommodation Expense Benefit

## **What does it take to get a quote for STD and/or LTD?**

**Step 1)** Please review the participating client application and list of plan options document for options and rates. There are two STD and six LTD options available (page 2 of the Participating Client Application attached).

**Step 2)** Choose the plan option(s) that best meet your needs. You may choose both an STD and LTD plan or select each individually as stand alone programs (STD only or LTD only).

**Step 3)** Provide census information that lists each of your full time employees (all that are on payroll regularly working 30+ hours) and their estimated annual gross salary which is defined as:

- Salary
- Shift differential pay
- Commissions averaged over the preceding 12 month period or over the period of employment if less than 12 months
- Employee contribution made through a salary reduction agreement with the employer to an Internal Revenue Code (IRC) Section 401(k), 403(b), 408 (p), or 457 deferred compensation arrangement or an executive, nonqualified deferred compensation arrangement.
- Amounts contributed to fringe benefits according to salary reduction agreements under IRC Section 125 plans

The definition of pre-disability earnings generally excludes bonuses, overtime or any extra compensation.

### **Important Notes:**

- ❖ If you are already a client of Employers Resources, we can gather this Step 3 information for you. Simply call Employers Resources at 1-866-214-9506 to request a quote.
- ❖ If you are a new client simply contact your Client Service Coordinator or call Employers Resource Department at 866-214-9506 for assistance with the above steps.
- ❖ Premium for coverage will be collected one month in advance and invoiced to you, the client, at the end of each month. (Note: When someone is out collecting STD, premium continues for STD and LTD if applicable. However, once someone is out collecting a LTD benefit, all premiums for that person cease.)

**Step 4)** Once your information is received and the quote completed, you will be contacted and asked to complete the attached Client Participation Agreement. You will also be provided information to distribute to your employees explaining the STD/LTD program(s) you elected to offer to them.

Should any questions arise, please contact the Benefits Department at Employers Resource toll free at 866-214-9506. Thank you.