

# 2017 Income Protection Programs



Appalachian State University

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North Carolina A&T State  
University

North Carolina Central  
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University

North Carolina School of  
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Other Affiliates:

- University of North Carolina  
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- University of North Carolina  
Press

This brochure provides a brief overview of income protection plans offered to eligible UNC employees. It does not cover every detail of the plans. Exclusions and limitations apply. In the event of any discrepancy between what is written here and what is written in the plan documents and insurance certificates, the plan documents and insurance certificates will govern. Changes in the tax laws or other requirements might cause changes in the plans. The University reserves the right to amend or terminate these plans or any benefits under the plans at any time.



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# Income Protection Basics

What would happen to your family if you weren't around to provide an income?  
What if you couldn't work because of a disabling injury or illness?

Unfortunately, accidents that can limit or even end your ability to earn an income can happen at any time. Consider:

- In the U.S., a disabling injury occurs every second and a fatal injury occurs every four minutes, according to the 2008 edition of the National Safety Council's *Injury Facts*.
- An illness or accident will keep one out of five workers out of work for at least a year before they reach age 65, reports the Life and Health Insurance Foundation for Education. One in seven will be disabled for as long as five years, according to the Health Insurance Association of America.
- Accidental bodily injuries are the fifth greatest cause of death in the United States, and the number one killer of Americans between the ages of 1 and 45, according to statistics published by the Centers for Disease Control and Prevention and the National Vital Statistics System.

## Programs for Your Protection and Peace of Mind

Planning wisely for the future includes planning for the worst that could happen. Fortunately, the University of North Carolina (the University) offers you a number of income protection programs to provide you and/or your family with financial protection in the event of your death, disability or long-term illness.

Some of these programs are provided by the University at no cost to you. Others make coverage available for you to purchase at affordable rates. In some cases, you can purchase coverage for your eligible family members as well as yourself.

These programs offer the peace of mind of knowing that you'll have a source of income even if you can't work, and your family will be provided for if something should happen to you.

## Eligibility

Unless otherwise noted, employees who are eligible for the income protection programs described in this brochure include:

- Permanent (non-temporary) employees working 30 or more hours per week.
- Permanent (non-temporary) part-time employees working 20-29 hours per week are only eligible for the voluntary group term life insurance and the accidental death and dismemberment (AD&D) insurance programs described in this brochure.
- Other employees as defined by UNC Health Care and UNC Press.



# Voluntary Group Term Life Insurance

Voluntary group term life insurance pays a benefit to your family in the event of your death. The University offers you this coverage to provide financial protection for your family.

## Amount of Coverage

You can elect the following options:

- Employee Only or Employee & Spouse\*: You can choose coverage in multiples of \$10,000, with a minimum of \$20,000. The maximum amount of coverage available is \$500,000 or five times your base annual earnings, whichever is less (spouse coverage cannot exceed 100% of employee's elected amount).
- Child(ren)\*: \$5,000 or \$10,000.

You may enroll within 30 days of first becoming an eligible University employee, or during the annual enrollment period. You may also change your coverage amount during the annual enrollment period.

In some cases, you must provide evidence of insurability (EOI) as proof of your good health before the coverage you choose becomes effective. You must provide EOI if:

- You are enrolling when you first become eligible and you choose more than \$200,000 of coverage.
- You are an existing employee and you either:
  - Did not choose voluntary group term life insurance when it was first offered to you, and you later decide to enroll for more than \$20,000 for the first time.
  - Decide to increase your existing coverage by more than \$10,000.
  - Decide to increase your existing coverage to more than \$100,000.

Please note that the amount of your coverage will be reduced after you reach age 70.

\* Employee must be enrolled to cover spouse/child(ren).

## Cost of Coverage

You pay the full cost of this coverage. The monthly premium for you and/or your dependent spouse is based on the coverage amount and your age on January 1 of the year your coverage is effective.

To calculate your monthly premium, multiply the rate that corresponds to your age (in the table below) by the multiple of \$1,000 that represents the coverage you want. For example, if you are age 35 and want coverage of \$50,000 (50 x \$1,000), your monthly premium would be \$0.080 x 50 = \$4.00.

Your Age	Monthly Rates/ \$1,000 of Coverage	Monthly Cost for Sample Coverage Amounts		
		\$20,000	\$50,000	\$100,000
0 - 24	\$0.04	\$0.80	\$2.00	\$4.00
25 - 29	\$0.05	\$1.00	\$2.50	\$5.00
30 - 34	\$0.07	\$1.40	\$3.50	\$7.00
35 - 39	\$0.08	\$1.60	\$4.00	\$8.00
40 - 44	\$0.09	\$1.80	\$4.50	\$9.00
45 - 49	\$0.13	\$2.60	\$6.50	\$13.00
50 - 54	\$0.22	\$4.40	\$11.00	\$22.00
55 - 59	\$0.40	\$8.00	\$20.00	\$40.00
60 - 64	\$0.64	\$12.80	\$32.00	\$64.00
65 - 69	\$1.27	\$25.40	\$63.50	\$127.00
70 - 74	\$2.06	\$41.20	\$103.00	\$206.00
75+	\$2.06	\$41.20	\$103.00	\$206.00

### DEPENDENT CHILD(REN)

Per Dependent Unit	
\$5,000	\$0.68
\$10,000	\$1.36

### For More Information

For more information about the details of this plan, see the Certificate of Coverage located at [oshr.nc.gov/state-employee-resources/benefits/ncflex](https://oshr.nc.gov/state-employee-resources/benefits/ncflex).

## Death Benefit for TSERS Participants

If you are a participant in the Teachers' and State Employees' Retirement System (TSERS), once you have one year of creditable service in this retirement plan you will be provided with coverage for an additional benefit that is paid in the event of your death. The coverage amount of this death benefit is equal to one times your annual salary rounded to the nearest \$1,000, with a minimum benefit of \$25,000 and a maximum benefit of \$50,000. TSERS participants are automatically enrolled in this death benefit coverage.

The University provides this coverage at no cost to you.

### FOR MORE INFORMATION

For more information about the details of this TSERS death benefit, see the TSERS handbook located at <https://www.nctreasurer.com/Retirement-and-Savings/Managing-My-Retirement/Pages/Benefits-Handbooks.aspx>.



# Accidental Death and Dismemberment (AD&D) Insurance

AD&D insurance pays a benefit if you should die or suffer certain disabling injuries as a result of an accident. This coverage is effective 24 hours a day, 365 days a year.

Coverage also includes worldwide emergency travel assistance services provided by Voya Travel Assistance, when a medical emergency happens more than 100 miles from your home or in a foreign country during trips of up to 90 days. Some of these services include assistance with obtaining medical care or medications, emergency medical evacuation, transportation to join a patient, an interpreter and legal referrals.

## Core AD&D Coverage

The University offers core AD&D coverage to eligible University employees at no cost to you. The amount of your core AD&D coverage (also called the principal sum) is \$10,000. (Please note that the amount of your coverage will be reduced after you reach age 70.)

**You must enroll for coverage to receive this benefit.**

This table lists the covered losses and the benefit paid for each. Please note this table applies to both core and voluntary AD&D coverage. The maximum that is paid for losses due to any one accident is 100% of the principal sum.

Accident	Percentage Principal Sum
Life, Loss of	100%
Sight of Both Eyes, Loss of	100%
Speech and Hearing of Both Ears, Loss of	100%
Both Hands or Both Feet, Loss of	100%
One Hand and One Foot, Loss of	100%
Quadriplegia	100%
Paralysis of Three Limbs	85%
Paraplegia/Hemiplegia	75%
Paralysis of One Limb	50%
Either Hand or Foot, Loss of	50%
Sight of One Eye, Loss of	50%
Speech or Hearing of Both Ears, Loss of	50%
Hearing of One Ear, Loss of	25%
Thumb and Index Finger of Same Hand, Loss of	25%

## Voluntary AD&D Coverage

In addition to the core AD&D coverage offered by the University, you may purchase further protection in the form of voluntary AD&D coverage — for yourself and for your family members as well.

You may choose from among the following principal sums (coverage amounts) for yourself:

- \$50,000
- \$100,000
- \$150,000
- \$200,000
- \$250,000
- \$300,000
- \$350,000
- \$400,000
- \$450,000
- \$500,000

If you choose to cover family members, their principal sums will be a percentage of your own principal sum, as shown in this table:

Family Member(s)	Their Principal Sum = This % of Your Principal Sum
Spouse only	60%
Spouse and children	Spouse: 50% Each child: 10%
Children only	Each child: 15%

Please note that your principal sum (and thus the principal sums of any covered family members) will be reduced after you reach age 70.

Your children must be unmarried, under age 26 and financially dependent upon you to be eligible.

**Note:** If you and your spouse are both University employees who are eligible to choose voluntary AD&D coverage, you may both choose employee coverage, but only one of you may cover your family members. If two married University employees both have employee coverage, the spouse who chooses family coverage will not have coverage for his or her spouse, only children. An employee may not be covered as both an employee and as a dependent.

If you or one of your covered family members suffers a covered loss, the table on page 6 lists the benefit paid. The maximum that is paid for losses due to any one accident is 100% of the person’s principal sum.

## Cost of Coverage

You pay the full cost of this coverage. Your monthly premium is based on the principal sum you choose and whether you choose to cover any family members, as shown in this table:

Principal Sum	Monthly Cost	
	For Employee Only	For Employee and Family
\$50,000	\$0.85	\$1.35
\$100,000	\$1.70	\$2.70
\$150,000	\$2.55	\$4.05
\$200,000	\$3.40	\$5.40
\$250,000	\$4.25	\$6.75
\$300,000	\$5.10	\$8.10
\$350,000	\$5.95	\$9.45
\$400,000	\$6.80	\$10.80
\$450,000	\$7.65	\$12.15
\$500,000	\$8.50	\$13.50

## For More Information

For more information about the details of this plan, see the Certificate of Coverage located at [oshr.nc.gov/state-employee-resources/benefits/ncflex](http://oshr.nc.gov/state-employee-resources/benefits/ncflex).



# Disability Programs

Disability programs provide you with an alternate source of income if you can't work for an extended period of time as the result of a disabling illness or injury.

The University provides you with basic short-term disability (STD) and long-term disability (LTD) coverage at no cost to you through the Teachers' and State Employees' Retirement System (TSERS). If you are eligible for STD coverage, after you have been disabled for 60 days, the STD plan begins paying you a monthly disability benefit for up to a year. After a year, if you remain disabled and are eligible for LTD coverage, the LTD plan pays a monthly benefit for as long as you qualify as disabled.

Your basic STD and basic LTD benefits are provided to you under the **Disability Income Plan of North Carolina (DIP-NC)**.

**a participant in your retirement plan.** In addition, your disability benefits may be limited if you have fewer than five years of creditable service.

You may wish to consider purchasing additional protection in the form of supplemental disability coverage. The specific supplemental disability plan for which you are eligible is tied to the retirement program you participate in — either the TSERS or the UNC Optional Retirement Program (ORP). However, supplemental disability coverage does not require you to have any creditable service under your retirement plan before it begins paying benefits. In addition, supplemental disability coverage increases the amount of benefits you receive each month.

**Whether you qualify for STD or LTD benefits depends on how many years of creditable service you have as**

Further details are provided in the following sections.

## STD Coverage

If you have at least one year of membership service in TSERS or participation in the ORP, the STD plan will pay you a benefit after 60 continuous calendar days due to a qualified disabling illness or injury. (The 60-day period before the plan begins paying benefits is called the elimination period.)

The STD plan pays a monthly benefit equal to 50% of your monthly salary, up to a maximum of \$3,000 per month.

The plan continues to pay this benefit until you are no longer disabled, or 365 days have passed since the beginning of your disability, whichever comes first.

These STD plan benefits are summed up in this table:

Your Creditable Service as a Participant in Your Retirement Plan	During This Period of Your Disability	STD Plan Benefit (DIP-NC)
Less than 1 year	For as long as you are disabled	No benefit
1 year or more	1 <sup>st</sup> year of disability	After a 60-day elimination period, the plan pays 50% of your monthly salary, up to a maximum of \$3,000 per month.

The STD plan does not pay benefits for disabilities that begin before you have at least a year of service as a participant in your retirement plan. However, you can purchase supplemental disability coverage to provide a benefit if you become disabled during that first year.

## FOR MORE INFORMATION

For more information about the details of this plan, see the Disability Income Plan of North Carolina handbook at [www.nctreasurer.com](http://www.nctreasurer.com). Select the Retirement and Savings Tab and click on Disability Benefits under Government Benefit Recipients.

## LTD Coverage

If you have at least five years of membership service in TSERS or participation in the ORP, the LTD plan will pay you a benefit if you remain disabled for longer than 365 days.

The LTD plan pays a monthly benefit equal to 65% of your monthly salary, up to a maximum of \$3,900 per month.

The plan continues to pay this benefit until you are no longer disabled, or when you qualify for retirement, whichever comes first.

The LTD plan benefits are summed up in this table:

Your Service as a Participant in Your Retirement Plan	During This Period of Your Disability	LTD Plan Benefit (DIP-NC)
Less than 5 years	For as long as you are disabled	No benefit
5 years or more	Beginning 2 <sup>nd</sup> year of disability and continuing for as long as you are disabled	The plan pays 65% of your monthly salary, up to a maximum of \$3,900 per month

Although the LTD plan does not pay benefits for disabilities that begin before you have at least five years of service as a participant in your retirement plan, you can purchase supplemental disability coverage to provide a benefit if you become disabled during that time.

## FOR MORE INFORMATION

For more information about the details of this plan, see the Disability Income Plan of North Carolina handbook at [www.nctreasurer.com](http://www.nctreasurer.com). Select the Retirement and Savings Tab and click on Disability Benefits under Government Benefit Recipients.

## Supplemental Disability Coverage

Although the University provides you with basic STD and basic LTD coverage at no cost to you, you may wish to consider purchasing additional protection in the form of supplemental disability coverage. Supplemental disability coverage pays benefits when your basic coverage does not, and increases your overall monthly benefit.

The specific supplemental disability plan that is available to you depends on which retirement program you participate in.

If You Participate in the Teachers' and State Employees' Retirement System (TSERS)	If You Participate in the Optional Retirement Program (ORP)
The supplemental disability plan that is available to you is provided by Liberty Mutual.	The supplemental disability plan that is available to you is provided by The Standard.

The major differences between these plans are noted in the following sections.

## HOW THE SUPPLEMENTAL DISABILITY PLAN WORKS WITH YOUR BASIC STD AND LTD COVERAGE

Your supplemental disability coverage begins paying a benefit if you are disabled for more than 90 days. The 90-day period is called the **elimination period**. (**Note:** For employees of North Carolina State University who enroll in the Liberty Mutual plan, this elimination period is 60 days.) The elimination period is the period you must be continuously disabled before benefits become payable.

Generally, the plan supplements whatever basic STD or basic LTD benefit you may be receiving (plus certain other benefits as explained later) in whatever amount is needed to bring your total disability benefits up to 66⅔%. If you are receiving no other disability benefits, then the supplemental disability plan pays all of the 66⅔% of your monthly salary itself.

In addition, enrolling in the supplemental disability plan increases your maximum possible monthly benefit to \$10,000.

The plan pays benefits for a qualifying disability regardless of how many years of membership service you have as a participant in TSERS, ORP, or Federal Employees' Retirement System (FERS) and Civil Service Retirement System (CSRS) for University employees. Therefore, it fills in certain "gaps" during which your basic coverage does not pay a benefit.

This table summarizes how the supplemental disability plan works with and supplements the basic STD and basic LTD plan:

Your Service as a Participant in TSERS or ORP	During This Period of Your Disability	Benefits Paid	
		Basic STD Plan and Basic LTD Plan	Supplemental Disability Plans
Less than 1 year	For as long as you are disabled, but not to exceed the maximum benefit period	No benefit	After the required elimination period, the plan pays 66⅔% of your monthly salary, minus deductible income, up to a total of \$10,000 per month
1 through 4 years	1 <sup>st</sup> year of disability	<b>STD:</b> After a 60-day elimination period, the plan pays 50% of your monthly salary, up to \$3,000 per month	After the required elimination period, the plan pays an additional 16⅔% of your monthly salary, bringing your total benefit to 66⅔% of your monthly salary, up to a total of \$10,000 per month
	Beginning 2 <sup>nd</sup> year of disability and continuing for as long as you are disabled, but not to exceed the maximum benefit period	<b>LTD:</b> No benefit	The plan pays 66⅔% of your monthly salary, minus deductible income, up to a total of \$10,000 per month
5 years or more	1 <sup>st</sup> year of disability	<b>STD:</b> After a 60-day elimination period, the plan pays 50% of your monthly salary, up to \$3,000 per month	After the required elimination period, the plan pays an additional 16⅔% of your monthly salary, bringing your total benefit to 66⅔% of your monthly salary, up to a total of \$10,000 per month
	Beginning 2 <sup>nd</sup> 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 per month	The plan pays an additional 1⅔% of your monthly salary, bringing your total benefit to 66⅔% of your monthly salary, up to a total of \$10,000 per month

In addition to the benefits outlined previously, your supplemental disability plan includes the following provisions and benefits:

- To be eligible to enroll, you must be a full-time active employee working 30 hours or more per week.
- Employees may enroll in this plan within the first 60 days of becoming employed/eligible.
- The intent of the plan is to ensure you receive *total* benefits of 66⅔% of your monthly salary while you are disabled. To ensure this, the plan basically pays 66⅔% of your monthly salary *minus* whatever benefits you may be receiving from the basic STD or basic LTD plan, if any. In addition, your benefits from the supplemental disability plan may be further offset (reduced) by certain income-replacement benefits for which you are eligible — such as retirement or disability benefits from such programs as Social Security, or workers' compensation — so that the total you receive does not exceed 66⅔% of your monthly salary. The exact income-replacement programs for which benefits may be offset vary from plan to plan; see your plan certificate for details.
- There is a minimum total monthly benefit of \$100 or 1/10 of the 66⅔% benefit, whichever is greater. (**Note:** For employees of North Carolina State University who enroll in the Liberty Mutual plan, the minimum monthly benefit is \$250 or 1/10 of the 66⅔% benefit, whichever is greater.) However, your benefit combined with the other income-replacement benefits noted above cannot exceed 100% of your pre-disability earnings.
- Benefits are limited for any disabilities due to a pre-existing condition you had before becoming covered by the plan. Exact provisions vary according to your plan. See your plan certificate for details.
- The plan pays partial disability benefits if you can still work but, as a result of your disability, suffer a 20% or greater loss of earnings.
- There is a benefit limitation on mental and nervous claims of 24 months for any claim filed on or after January 1, 2017.

### ADDITIONAL PROVISIONS FOR EMPLOYEES WHO ENROLL IN THE STANDARD PLAN (FOR ORP PARTICIPANTS)

- Special annuity benefit (monthly annuity premium benefit): In addition to providing you with a replacement for your current monthly income, while you are disabled, this plan also protects your retirement income by continuing contributions to your ORP account. The amount the plan contributes to your ORP account is 12.84% of your salary eligible for retirement contributions.
- Additional benefits may be available to you as a participant in this plan if you are an employee of the School of Medicine at either East Carolina University or UNC-Chapel Hill. For more information, contact your campus' Human Resources/Benefits Office.

### COST OF COVERAGE

Just as certain provisions and benefits vary among different versions of the supplemental disability plan, so do the calculations for figuring your monthly premium cost. For the method that applies to your plan, see the insert sheet that is enclosed with this brochure.

### FOR MORE INFORMATION

For more information about the details of the supplemental disability plan from Liberty Mutual for members in TSERS, see the Certificate of Coverage located at: [myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/](http://myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/).

For more information about the details of the supplemental disability plan from The Standard for participants in ORP, see the Certificate of Coverage located at: [myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/](http://myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/).

# Cost of Coverage for the Supplemental Disability Plan



## I. For Employees Enrolled in the Liberty Mutual Plan for TSERS Participants

Your monthly premium for supplemental disability coverage is equal to your monthly salary multiplied by 0.0028. The maximum salary that is considered in calculating this benefit and premiums is \$180,000 per year (\$15,000 per month).

**FOR EXAMPLE**

**If your monthly salary is \$4,000:**  $\$4,000 \times 0.0028 = \$11.20$  monthly premium cost.

The University provides an online calculator to help you figure your monthly premium cost. To use this calculator, see [myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/](http://myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/).

## II. For Employees Enrolled in The Standard Plan for ORP Participants

Under this plan, there are two primary benefits, with a different premium cost calculation for each:

- Monthly income benefit:** This is the portion of the plan that provides you with a current monthly income while you are disabled. The maximum salary that is considered in calculating this benefit and premiums is \$180,000 per year (or \$15,000 per month).
- Monthly annuity premium benefit:** This is the portion of the plan that contributes 12.84% of your salary to your ORP account while you are disabled. The maximum salary that is considered in calculating this benefit and premiums depends on your hire/appointment date. If your hire/appointment date was on or after July 1, 1996, the maximum salary is \$270,000. If your hire/appointment date was prior to July 1, 1996, the maximum salary is \$400,000. These salary amounts are effective January 1, 2017, and are adjusted annually by the Internal Revenue Code.

This is how you calculate your monthly premium cost for each:

Monthly Income Benefit	Example:
1. Take your annual salary.	\$48,000
2. Divide by 12 to get your monthly wage base.	$\$48,000 \div 12 = \$4,000$
2a. If your monthly salary exceeds \$15,000 per month, use \$15,000 for calculation purposes in line 2.	N/A
3. Multiply the amount on line 2 by the current cost factor of 0.00170.	$\$4,000 \times 0.00170 = \$6.80$
4. The result is your monthly premium cost for the monthly income benefit.	\$6.80
Monthly Annuity Premium Benefit*	Example:
5. Multiply the amount on line 2 by the current cost factor of 0.0011.	$\$4,000 \times 0.0011 = \$4.40$
6. The result is your monthly premium cost for the monthly annual premium benefit.	\$4.40
<b>Total Monthly Premium Costs</b>	$\$6.80 + \$4.40 = \$11.20$

The University provides an online calculator to help you figure your monthly premium cost. To use this calculator, see [myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/](http://myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/).

\* As noted, for higher-paid employees, certain limits apply to the salary that is considered in this calculation, depending on your hire/appointment date. This is accounted for in the online calculator.

## When Deductions Start and Stop

If you elect coverage, deductions will be calculated retroactive to your eligibility date (for new hires that is your hire/appointment date, for late enrollees it is the date you are approved for coverage by the disability insurance company). This may result in retroactive deductions being held from your pay depending on when your enrollment form is completed.

Your deductions will cease under these plans in the month you either elect to terminate your coverage or you end your employment with your institution.

# Cost of Coverage for the Supplemental Disability Plan



## For Employees of North Carolina State University

### I. For Employees Enrolled in the Liberty Mutual Plan for TSERS, FERS or CSRS Participants

Your monthly premium for supplemental disability coverage depends on your age and your years of creditable service in TSERS, FERS or CSRS, as shown in this table. The maximum salary that is considered in calculating this benefit and premiums is \$180,000 per year (\$15,000 per month).

Your Age	Monthly Premium Cost = Your Monthly Salary X This Number	
	If You Have Less Than 5 Years of Creditable Service as a Participant in TSERS, FERS or CSRS	If You Have 5 or More Years of Creditable Service as a Participant in TSERS, FERS or CSRS
Under 30	0.00130	0.00028
30 - 34	0.00170	0.00040
35 - 39	0.00244	0.00054
40 - 44	0.00386	0.00096
45 - 49	0.00559	0.00143
50 - 54	0.01078	0.00238
55 - 59	0.01350	0.00338
60 - 64	0.01290	0.00323
65 or older	0.01394	0.00293

#### EXAMPLE 1

**If you are age 45, your monthly salary is \$4,000 and you have less than five years of creditable service:**

$\$4,000 \times 0.00559 = \$22.36$  monthly premium cost.

#### EXAMPLE 2

**If you are age 45, your monthly salary is \$4,000 and you have five or more years of creditable service:**

$\$4,000 \times 0.00143 = \$5.72$  monthly premium cost.

The University provides an online calculator to help you figure your monthly premium cost. To use this calculator, see [myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/](http://myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/).

## II. For Employees Enrolled in The Standard Plan for ORP Participants

Under this plan, there are two primary benefits, with a different premium cost calculation for each:

- Monthly income benefit:** This is the portion of the plan that provides you with a current monthly income while you are disabled. The maximum salary that is considered in calculating this benefit and premiums is \$180,000 per year (or \$15,000 per month).
- Monthly annuity premium benefit:** This is the portion of the plan that contributes 12.84% of your salary to your ORP Account while you are disabled. The maximum salary that is considered in calculating this benefit and premiums depends on your hire/appointment date. If your hire/appointment date was on or after July 1, 1996, the maximum salary is \$270,000. If your hire/appointment date was prior to July 1, 1996, the maximum salary is \$400,000. These salary amounts are effective January 1, 2017, and are adjusted annually by the Internal Revenue Code.

This is how you calculate your monthly premium cost for each:

Monthly Income Benefit	Example:
1. Take your annual salary.	\$48,000
2. Divide by 12 to get your monthly wage base.	$\$48,000 \div 12 = \$4,000$
2a. If your monthly salary exceeds \$15,000 per month, use \$15,000 for calculation purposes in line 2.	N/A
3. Multiply the amount on line 2 by the current cost factor of 0.00170.	$\$4,000 \times 0.00170 = \$6.80$
4. The result is your monthly premium cost for the monthly income benefit.	\$6.80
Monthly Annuity Premium Benefit*	Example:
5. Multiply the amount on line 2 by the current cost factor of 0.0011.	$\$4,000 \times 0.0011 = \$4.40$
6. The result is your monthly premium cost for the monthly annual premium benefit.	\$4.40
Total Monthly Premium Costs	$\$6.80 + \$4.40 = \$11.20$

The University provides an online calculator to help you figure your monthly premium cost. To use this calculator, see [myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/](http://myapps.northcarolina.edu/hr/benefits-leave/income-protection-benefits/).

*\* As noted, for higher-paid employees, certain limits apply to the salary that is considered in this calculation, depending on your hire/appointment date. This is accounted for in the online calculator.*

### When Deductions Start and Stop

If you elect coverage, deductions will be calculated retroactive to your eligibility date (for new hires that is your hire/appointment date, for late enrollees it is the date you are approved for coverage by the disability insurance company). This may result in retroactive deductions being held from your pay depending on when your enrollment form is completed.

Your deductions will cease under these plans in the month you either elect to terminate your coverage or you end your employment with your institution.

## If You Have Questions

Remember that the information in this brochure is only a general overview of the benefits described. For more details:

- See the resources noted under the section of each benefit plan in this brochure.
- Visit [myapps.northcarolina.edu/hr/benefits-leave/](https://myapps.northcarolina.edu/hr/benefits-leave/).
- Contact your campus Human Resources/Benefits Office representative.

The information contained in this brochure is not a contract and is subject to change by the proper authorities. It should be understood that explanations in this summary cannot alter, modify or otherwise change the controlling legal document or general statutes in any way, nor can any right accrue by reason of any inclusion or omission of any statement in this brochure.

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