



YOUR GROUP SHORT TERM DISABILITY PLAN



**MICHIGAN
CATHOLIC**
CONFERENCE

MICHIGAN CATHOLIC CONFERENCE
SHORT TERM DISABILITY INCOME PROGRAM
CERTIFICATE OF COVERAGE

*Michigan
Catholic
Conference* 

THE MICHIGAN CATHOLIC CONFERENCE

510 South Capitol Avenue

Lansing, Michigan 48933

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**This Certificate serves as an explanation of the
Short Term Disability Income Program
administered by the Michigan Catholic Conference.**

**July 2011-Revised
September 2006**

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DEFINITION OF TERMS

ACTIVELY AT WORK

To be considered Actively at Work, an employee must be present:

- (a) at the normal place of business of the Covered Unit; or
- (b) at such place of business to which the Covered Unit requires you to travel.

BENEFIT WAITING PERIOD

The Benefit Waiting Period is the number of consecutive days from the date a period of Total Disability begins to the date the Income Benefit is first payable. The Benefit Waiting Period through the Michigan Catholic Conference is 10 business days.

This period begins to run on the day after the later of:

- (a) The last day you are Actively at Work; or
- (b) The date the total Disability began.

COVERED UNIT

Covered Unit means a parish, school, institution, organization, corporation or other entity in the State of Michigan which is an integral part of the Catholic Church, engaged in carrying out the functions of the Catholic Church, and under the control of an Archbishop or Bishop of a Diocese in the Province of Detroit, unless the Archbishop or Bishop specifically exempts the unit from status as a Covered Unit. The Michigan Catholic Conference shall be a Covered Unit. Any parish, school, institution, organization, corporation or other entity listed within the Kenedy Directory which is an integral part of the Catholic Church and which is engaged in carrying out the functions of the Catholic Church, but which is not under the control of an Archbishop or Bishop of a Diocese in the Province of Detroit, may become a Covered Unit pursuant to a written agreement between its governing authority and the Michigan Catholic Conference. Determinations of the Covered Unit status for purposes of this Program shall be made by the Michigan Catholic

Conference with approval of its Board of Directors. A determination that an entity is a “Covered Unit” for purposes of this Program shall not be binding upon the Michigan Catholic Conference for any other purpose.

EARNINGS

Earnings are considered to be the regular wages you receive from your employer before taxes and prior to any pre-tax contributions made to a qualified deferred compensation plan, Section 125 plan, or flexible spending account. Earnings include income actually paid from commissions, but exclude overtime, renewal commissions, bonus payments, or other extra compensation.

Commission actually paid, not including renewal commissions, will be averaged for the lesser of:

- (a) the 12 full calendar month period of your employment with your employer just prior to the date disability begins; or
- (b) the period of actual employment with your employer.

ELIGIBLE EMPLOYEE

To be an Eligible Employee you must be:

- (a) A regular full-time employee who works at least 20 or more hours per week for a Covered Unit which has elected to be covered under this Program; and
- (b) Actively at Work.

This Program excludes seasonal or temporary employees.

INCOME BENEFIT

Once your claim is reviewed and approved, the Income Benefit payable to you is 66-2/3% of your weekly Earnings, rounded to the next higher \$1.00. Benefits are paid on the 15th and 30th of each month. Benefits shall not exceed the Maximum Income Benefit, nor shall be provided for longer than the Maximum Benefit Period.

MAXIMUM BENEFIT PERIOD

The Maximum Benefit Period is twenty-four (24) weeks and begins the day after the Benefit Waiting Period is completed.

MAXIMUM INCOME BENEFIT

The Maximum Income Benefit is \$1,860.00 per week and may be reduced as provided in the “Non-Duplication of Income Benefits” section.

PLAN ADMINISTRATOR

The Plan Administrator is the Michigan Catholic Conference, located at 510 South Capitol Avenue, Lansing, Michigan 48933. The telephone number is 1-800-395-5565.

The Plan Administrator has all power and authority (including the ability to use its discretion in the exercise of that power and authority) which is necessary or convenient to enable it to carry out its duties under the program. The Plan Administrator shall have the discretionary authority to interpret the provisions of this Program and the Plan Administrator’s discretionary interpretation in good faith shall be final and conclusive on all persons claiming benefits under this Program. The Plan Administrator reserves the right to amend and/or terminate this Program at any time.

PRE-EXISTING CONDITION

A Pre-Existing Condition is defined as an injury or illness for which medical treatment, consultation, care or services, including diagnostic measures, had been received or for which prescribed drugs or medications had been taken within 30 days prior to the effective date of enrollment.

PROGRAM

The term “Program” shall mean the Michigan Catholic Conference Short Term Disability Income Program.

TOTAL DISABILITY

In determining whether you are disabled for purposes of this policy, generally accepted medical principles shall be used. Your disability must be verified by a physician's written statement and is also subject to verification by an independent medical review if required by the Plan Administrator.

1. Total Disability and Totally Disabled means your inability to perform the material and substantial duties of your own job due to Injury or Sickness which requires care of a Physician.
2. Injury means any accidental bodily injury which results in a Total Disability:
 - (a) independently of all other causes; and
 - (b) which begins within 90 days of the date of the accident.
3. Sickness means:
 - (a) An organic disease;
 - (b) injury resulting in Total Disability which begins more than 90 days after the date of the accident;
 - (c) pregnancy and its complications;
 - (d) alcoholism or drug addiction; or
 - (e) mental illness as defined.
4. Mental Illness means mental, nervous or emotional diseases or disorders of any type which require the regular care of a Psychiatrist.

GENERAL PROVISIONS

PROGRAM AVAILABILITY

The Michigan Catholic Conference Short Term Disability Program described in this booklet is available to all Eligible Employees who work for a Covered Unit employer which has decided to participate in this program.

PRE-EXISTING CONDITION EXCLUSION

The Program will not cover any disability caused by, or contributed to, a Pre-Existing Condition or resulting from a Pre-Existing Condition until you have been Actively at Work for a period of at least five (5) days after becoming an Eligible Employee.

EFFECTIVE DATE OF COVERAGE

Your coverage under the Program takes effect on the day you become an Eligible Employee.

If you are absent from work on the day you would normally become eligible for coverage, then you will become eligible on the day you return to being Actively at Work.

TERMINATION OF COVERAGE

Your coverage ceases on the earlier of the date on which:

1. You terminate employment, except if your termination of employment was the result of your disability.
2. Premium payments made by your Covered Unit employer for you cease, unless premiums are being waived for you under the Program.
3. You cease to be an Eligible Employee, unless you only ceased to be an Eligible Employee as a result of your disability. However, your coverage will continue during a vacation, during an approved leave of absence of up to one month, or when you are not able to work due to a Total Disability.

4. Your employer Covered Unit terminates its participation in the Program or the Michigan Catholic Conference cancels your employer group's coverage under the Program. However, see "EFFECT OF TERMINATION OF GROUP COVERAGE" below.
5. You have received 24 weeks of Income Benefits.
6. This Program terminates.

EFFECT OF TERMINATION OF GROUP COVERAGE

Income Benefits will be paid to an Eligible Employee after the date the coverage cancels for your employer group if:

1. You become Totally Disabled prior to the date the coverage canceled and otherwise meet the requirements to receive Payment of Income Benefits; and
2. Notice or proof of the Total Disability is received by the Michigan Catholic Conference no later than 90 days after the date the coverage is canceled.

Income Benefits will be paid in accordance with and to the extent allowed by this Program and will continue until termination as provided in this Program. Termination of Group Coverage by itself will not result in termination of Income Benefits.

WEEKLY INCOME

PAYMENT OF INCOME BENEFIT

You will be paid an Income Benefit subject to the following provisions:

1. You are a covered Employee and are Totally Disabled; and
2. You were Totally Disabled for the full Benefit Waiting Period.

If approved, Income Benefits will begin the day following the Benefit Waiting Period.

TERMINATION OF INCOME BENEFITS

Income Benefits cease on the earliest of the date:

1. You cease to be Totally Disabled;
2. You fail to take a required medical examination;
3. You fail to submit any required proof of Total Disability;
4. You die;
5. You have received 24 weeks of Income Benefits;
6. In the opinion of a physician, using generally accepted medical principles, you are able to return to work. For this purpose, the earliest possible date given for your return used by the physician will be the relevant date. Thus, for example, if the physician states that you should be out for six (6) to eight (8) weeks, the Michigan Catholic Conference shall go by the earliest date (six (6) weeks); or
7. Unless otherwise provided, your coverage under the Program terminates.

BENEFIT PAYMENT SCHEDULE
FOR CONTRACTUAL EMPLOYEES

If eligible, you will receive Income Benefits during your paid year of employment. If you are paid on a 10-month pay schedule, you will receive Income Benefits during that 10-month period. If you are paid on a 12-month pay schedule, you will receive Income Benefits during that 12-month period. Benefits will cease at the end of the scheduled pay year. If you are otherwise entitled to continue receiving benefits at the conclusion of your scheduled pay year, you must renew your contract for benefits to continue at the beginning of the following year.

Except as indicated within the “PARTIAL DISABILITY RESULTING FROM A TOTAL DISABILITY” section, you cannot receive regular wages under your contract at the same time you are receiving Income Benefits.

BENEFIT PAYMENT FORMULA
FOR CONTRACTUAL EMPLOYEES

If you are paid on a 10-month pay schedule, you will receive Income Benefits during that 10-month period according to the following formula:

Gross annual wages multiplied by .6667
Divided by 210 days = Daily Rate

If you are paid on a 12-month pay schedule, you will receive Income Benefits during that 12-month period according to the following formula:

Gross annual wages multiplied by .6667
Divided by 260 days = Daily Rate

Benefits are payable on the 15th and the 30th of each month.

CHANGES TO BENEFIT PAYMENTS

CHANGES IN AMOUNT OF BENEFIT COVERAGE

If there is a change in occupation or earnings which affects the Income Benefit Schedule, any change in Benefit Coverage will take place immediately, unless you are absent from work.

If you are absent from work, any change in Benefit Coverage will take effect on the day you return to being Actively at Work.

NON-DUPLICATION OF INCOME BENEFITS

If the Income Benefit, together with any of the following amounts to which you become entitled while Totally Disabled, exceeds 66-2/3% of your pre-disability Earnings, then the Income Benefit payable under this Program shall be reduced so that the sum of all benefits does not exceed 66-2/3% of pre-disability Earnings:

1. Any pay from gainful employment including salary, vacation or sick pay.
2. Any amount received as a salary continuation plan or a severance allowance from your employer.
3. Any benefits paid under:
 - (a) a retirement plan, except benefits which represent your contributions to a retirement plan (a retirement plan will not include a profit-sharing plan, a thrift plan, an individual retirement account (IRA), a tax sheltered annuity (TSA), a stock ownership plan, or a non-qualified plan of deferred compensation); and
 - (b) any other disability insurance plan for which your employer has paid any part of the costs.

The Income Benefit will not be reduced by any increase made in the benefits paid under any such plan after the date you become Totally Disabled.

Any benefits for which you, at any time, may be reasonably considered to be entitled under:

- (a) any Worker's Compensation or similar law;
- (b) the federal Social Security Act; or
- (c) any other federal, state or provincial government benefit plans;

whether or not you have applied for these benefits, unless proof of ineligibility is provided to the Plan Administrator. The Income Benefit will not be reduced by any cost-of-living increase or increase by law in these benefits paid after the date the Income Benefit is first payable to you.

- 5. Any benefits payable under any plan sponsored by an organization of which you are a member.

LUMP SUM PAYMENT

If any of the income amounts listed under the section "Non-Duplication Of Income Benefits" are paid as a lump sum settlement, the Plan Administrator:

- 1. will divide the single lump sum settlement by your predisability Earnings as if you had received the benefit on a periodic basis to calculate the Income Benefit payable; and
- 2. may make a retroactive adjustment beginning the date you first became eligible for an Income Benefit.

The Plan Administrator shall rely on information from the source making the lump sum payment to determine the manner and amounts of the allocation. The Plan Administrator shall be held harmless from acting on such information. If all necessary information has not been furnished to the Plan Administrator, the allocation shall be determined solely by the Plan Administrator based on a probable assumption as to the nature and purpose of the one sum payment.

**RECOVERY OF OVERPAYMENT
OF INCOME BENEFIT**

The Plan Administrator has right to recover any overpayment of Income Benefit resulting from:

1. A clerical error;
2. A misstatement of fact; or
3. Receipt by you at any time of an amount which would reduce the Income Benefit payable under this Program.

**PARTIAL DISABILITY RESULTING
FROM A TOTAL DISABILITY**

If, at the end of the period of Total Disability but prior to the end of your Maximum Benefit Period, your physician, using generally accepted medical principles, releases you to work on only a part-time basis, a partial short term disability payment will be made under this policy for the remainder of the Maximum Benefit Period. The Income Benefit payable as a result of your return shall be subject to the provisions of the “Non-Duplication of Income Benefits” section of this policy.

RECURRENT TOTAL DISABILITY

1. If a period of Total Disability terminates for any reason and you:
 - (a) return to being Actively at Work for a period of thirty (30) business days or less; and
 - (b) become Totally Disabled within the 30 business day period from the same or related cause; and
 - (c) have continued to be insured without interruption from the date the prior period of Total Disability terminated;

the later period of Total Disability is deemed to be a continuation of the prior Total Disability. The amount of the Income Benefit will be the same amount that was paid for the previous Total Disability and

will not continue beyond the Maximum Benefit Period for the prior Total Disability. You will not have to meet a new Benefit Waiting Period in order to continue receiving Income Benefits.

2. If a period of Total Disability terminates for any reason and you:
 - (a) return to being Actively at Work for a period of thirty-one (31) business days or more; and
 - (b) become Totally Disabled from the same or related cause; and
 - (c) have continued to be insured without interruption from the date the prior period of Total Disability terminated;

the subsequent Total Disability shall be treated as a new period of Total Disability subject to all the Program provisions.

3. If you become Totally Disabled from a subsequent Total Disability:
 - (a) which results from an unrelated cause or causes; and
 - (b) you have returned to being Actively at Work full-time between the Total Disabilities;

the subsequent Total Disability shall be treated as a new period of Total Disability subject to all the Program provisions.

4. If you become Totally Disabled from a subsequent Total Disability:
 - (a) which results from an unrelated cause or causes; and
 - (b) you did not return to full-time work between the Total Disabilities,

no Income Benefit will be payable for the subsequent Total Disability beyond the Maximum Benefit Period for initial Total Disability (24 weeks after the Benefit Waiting Period of the original Total Disability); and the amount of the Income Benefit will continue to be the same amount that was being paid for the initial Total Disability.

You will not have to meet a new Benefit Waiting Period in order to continue receiving Income Benefits.

**COORDINATION WITH THE
MICHIGAN CATHOLIC CONFERENCE
LAY EMPLOYEES' RETIREMENT PLAN**

The Michigan Catholic Conference Lay Employees' Retirement Plan provides that all benefits under this Short Term Disability Program must be exhausted before disability retirement benefits will commence. Therefore, you shall not be entitled to receive any Disability Retirement Benefits unless or until all benefits under this Program (or any other wage continuation program) have been paid.

RISKS NOT COVERED

No Income Benefit will be paid under this Program if your Total Disability results from:

1. Intentional self-inflicted injury while sane or insane;
2. War, whether declared or not, or any related act;
3. Participation in a riot or civil commotion;
4. Committing or attempting to commit a felony or assault or engaging in an illegal occupation;
5. Medical or surgical care which is cosmetic in nature unless required to restore tissue damage by disease or accidental bodily injury;
6. A voluntary abortion or a procedure undertaken for the purpose of birth control; or
7. Other activity which violates the tenets of the Catholic Church.

CLAIMS PROCEDURE

Written notice of a claim on a form provided by the Michigan Catholic Conference must be filed with the Michigan Catholic Conference within 30 days after the date you become disabled.

Written proof of a claim on a form and in a format prescribed by the Michigan Catholic Conference must be filed with the Michigan Catholic Conference within 90 days after the Benefit Waiting Period.

Your employer will provide you with the required forms and instructions.

If the forms are not available within a 15-day period, you may send the Michigan Catholic Conference your own written proof of claim.

Your proof of claim must cover:

1. The Injury or Sickness for which you are claiming an Income Benefit;
2. The date the Injury or Sickness first occurred;
3. The name, address and telephone number of your attending physician;
4. An approximate date the physician estimates you will be able to return to work on a form filled out by the physician; and
5. A certification or written documentation from your attending physician verifying your Total Disability.

If your Total Disability continues for a greater length of time than initially anticipated by the physician using accepted medical principles, then you must file a continuing disability form with the Michigan Catholic Conference on a form provided by your employer or the Michigan Catholic Conference.

The Plan Administrator will render a decision on your claim within a reasonable period. If the claim is not approved within 60 days after you submit it, it is deemed denied. If you do not agree with the Plan Administrator's decision, you may request the Plan Administrator to reconsider your claim.

Requests to the Plan Administrator for reconsideration must be made in writing, addressed to the Plan Administrator within 60 days after you receive written notice that your claim has been denied, or within 120 days after you have submitted your claim, if your claim was deemed denied because notice of the disposition of the claim was not given to you within 60 days. The Plan Administrator will render its decision on your request for reconsideration within 60 days after receiving your request for reconsideration.

You may not undertake any legal action with respect to a claim until all of your rights under this Claims Procedure have been exhausted.

Proof satisfactory to the Plan Administrator that you are still disabled may be required prior to the payment of any benefits or at reasonable intervals. You may be required to be examined by an independent physician selected and paid for by the Plan Administrator.

Any legal action against the Michigan Catholic Conference must take place no later than three years after the date proof of claim has been filed with the Michigan Catholic Conference.

NOTES



10/2011