

Supplemental Disability Benefits

If you become totally disabled, supplemental disability benefits provide extra monthly income if your salary is more than the amount protected by disability benefits through the Death and Disability Plan.

HOW IT WORKS

Disability benefits under the Death and Disability Plan are generally equal to 60 percent of your effective salary. The highest salary covered is \$110,000. If your salary grows beyond that amount, it may mean that your household expenses will, too. And that could make it hard for you to meet routine expenses if you are totally disabled and unable to work.

AMOUNT OF COVERAGE AVAILABLE

You can elect supplemental disability coverage, in increments of \$10,000, to protect all or part of your salary above \$110,000. To determine the amount you can elect, round down your effective salary to the nearest \$10,000. If that amount is at least \$120,000, you can buy supplemental disability coverage. In other words, your effective salary must be more than \$120,000 to elect this coverage.

If you have opted out of Social Security you cannot use supplemental disability benefits to protect your full salary.

AMOUNT OF BENEFIT

If you elect this coverage, supplemental disability benefits can replace 60 percent of your effective salary in excess of \$110,000 up to the IRS maximum. The IRS maximum for 2021 is \$290,000, effective January 1, 2021, increased from \$285,000 in 2020.

The maximum monthly benefit under the plan is \$5,500.

How \$125,000 effective salary is covered

\$110,000	\$110,001 - \$120,000	\$120,001 - \$125,000
protected by standard disability coverage, which replaces 60% of salary up to \$5,500/month	protected by supplemental disability coverage; Plan replaces 60% of salary up to \$5,500/month	Not covered. The highest amount of salary you can cover is \$120,000 (\$125,000 rounded down to the nearest \$10,000 which is \$120,000)

This coverage has no disability-benefit increase feature or inflation adjustment, and it does not provide for pension credit accrual on your salary above \$110,000 if you participate in the Pension Plan.

If you return to work part time, and your benefits combined with part-time income exceed 80 percent of your protected effective salary, the Board will proportionately reduce supplemental disability benefits.

ENROLLING FOR COVERAGE

The Board will contact you with instructions about how to enroll, if you receive a salary increase that makes you initially eligible for coverage, for example, if a raise increases your salary to \$120,000 or more, or causes you to be eligible for an increased level of coverage.

Evidence of insurability

If you do not enroll when first eligible or when you receive an increase that makes you eligible for more coverage, you will be asked to undergo medical underwriting (provide evidence of insurability, EOI) at your own expense. If coverage is approved it will be provided with no pre-existing condition exclusion (see next page).

Supplemental disability benefits can replace 60 percent of the part of your salary not protected by standard disability coverage — salary more than \$110,000)

Supplemental Disability Benefits

If you purchase the maximum available supplemental protection each time you have the opportunity, pre-existing condition limitations and medical underwriting are waived when purchasing future increments.

If you protect only some of your excess salary now and wish to protect more later, you will be subject to medical underwriting when you purchase additional protection.

Pre-existing conditions

A pre-existing condition is one that existed in the 12 months before the effective date of coverage under this plan. If you enrolled when first eligible and that pre-existing condition causes you to become disabled during the first year of coverage, you will not be eligible for the benefits of this plan. Any contributions you made for the coverage will be returned.

Cost

The monthly cost of coverage is determined by the level you select and your age as of January 1 each year. For current costs, refer to the Supplemental disability benefits page in **Benefits Guidance for members** on pensions.org, or the Disability Benefits booklet on pensions.org.

Your employer may pay some or all of the cost of this coverage. If your employer pays the premium on your behalf, the benefit is taxable. If you pay the premium with pretax dollars, the benefit is taxable. If you pay with after-tax dollars, the benefit is not taxable. In addition, ministers of the Word and Sacrament can modify the taxability of the benefit by using the housing allowance.

LEARN MORE

For more information about supplemental disability benefits, visit pensions.org/members. If you have questions, call the Board at 800-773-7752 (800-PRESPLAN).



Critical coverage

If you can't work,
your paycheck stops.

These benefits provide a
monthly income during
total disability.



Added protection

Supplemental disability
coverage protects your
salary above the maximum
covered by standard
disability coverage.



Signing up

The Board will
contact you with
instructions if you
are eligible for
coverage.

This is not a full description of benefits and limitations of the plan. If there is any difference between the information presented here and the provisions of the Benefits Plan of the Presbyterian Church (U.S.A.), the plan terms will govern. Visit pensions.org or call the Board at 800-773-7752 (800-PRESPLAN) for a copy of the plan document.



THE BOARD OF PENSIONS
OF THE PRESBYTERIAN CHURCH (U.S.A.)

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