

# Supplemental Disability Benefits

If you become totally disabled, supplemental disability benefits provide extra monthly income when 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.

Supplemental disability benefits can replace 60 percent of the part of your salary not protected by standard disability coverage — if your effective salary is at least \$120,000.

## 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 at least \$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 2023 is \$330,000. The 2024 maximum will be available at [pensions.org/members](https://pensions.org/members) when released by the IRS.

## 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	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 Defined Benefit 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 are eligible when you are first hired. The Board will also contact you if you become eligible later — for example, if you receive a salary increase to \$120,000 or more that causes you to be eligible for coverage or 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 preexisting condition exclusion (see next page).

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

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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.

## **Preexisting conditions**

A preexisting 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 coverage page on [pensions.org](http://pensions.org), or the Disability Benefits booklet on [pensions.org](http://pensions.org).

Your employer may pay some or all of the cost of this coverage. If your employer pays the cost of coverage on your behalf, the benefit is taxable. If you pay the cost 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](http://pensions.org/members). If you have questions, call the Board at 800-773-7752 (800-PRESPLAN) (TTY: 711).



### **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](http://pensions.org) or call the Board at 800-773-7752 (800-PRESPLAN) (TTY: 711) for a copy of the plan document.*



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

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