

# Long Term Disability and Income Protection Plan

---

Third Judicial Circuit  
*of*  
Michigan



## TABLE OF CONTENTS

<b>I.</b>	<b>ENROLLMENT INFORMATION .....</b>	<b>3</b>
A.	SCHEDULE OF BI-WEEKLY CONTRIBUTIONS.....	4
B.	GENERAL DEFINITIONS.....	4
C.	ELIGIBILITY .....	5
D.	EFFECTIVE DATE OF COVERAGE .....	5
E.	TERMINATION OF COVERAGE .....	6
F.	STATUS DURING LAYOFF OR LEAVE OF ABSENCE .....	7
<b>II.</b>	<b>BENEFIT INFORMATION .....</b>	<b>7</b>
A.	BENEFIT DEFINITIONS .....	7
B.	WHEN YOUR BENEFITS WILL START .....	8
C.	AMOUNT OF YOUR BENEFIT .....	9
D.	SPECIAL PROVISION REGARDING INCREASES IN GOVERNMENTAL BENEFITS .....	11
E.	CLAIM PROCEDURE .....	12
F.	DISABILITIES NOT COVERED .....	13
G.	WHEN YOUR BENEFITS WILL TERMINATE.....	13
H.	REHABILITATION PROGRAM .....	14
<b>III.</b>	<b>GENERAL INFORMATION .....</b>	<b>15</b>
A.	CHANGE OR DISCONTINUANCE OF THE PLAN .....	15
B.	GENERAL POLICY PROVISIONS .....	15
	Assignment .....	15
	Misstatement .....	15
	Time Limit on Certain Defenses.....	15
	Proof of Loss .....	16
	Payment of Claims .....	16
	General .....	17
	Determination by the Employer .....	17
	Appeals .....	17
C.	OTHER FACTS ABOUT THE PLAN .....	18
<b>IV.</b>	<b>EFFECTIVE DATE OF LONG TERM DISABILITY AND INCOME PROTECTION PLAN .....</b>	<b>19</b>

## **I. ENROLLMENT INFORMATION**

On the date you become covered under the Plan:

- (a). If you have fewer than 196 hours of accumulated sick leave, you will be considered a Plan I Employee.
- (b). If you have 196 hours or more of sick leave, you will be considered a Plan II Employee.

If, however, you were a Plan II employee and your employment with the Third Judicial Circuit becomes inactive while you were disabled and you have now recovered and are returning to active work, you will again be considered a Plan II employee regardless of your number of days of sick leave.

If you are a Plan I employee, you will become a Plan II employee on the first quarterly Reclassification Date on which you have at least 196 hours of accumulated sick leave. Once you are considered a Plan II employee, you will not be reclassified as a Plan I employee while you remain continuously covered under the Plan.

For example:

Plan I employees have fewer than 196 hours of sick leave.

Plan II (A) employees have at least 196 hours but fewer than 563 hours of sick leave.

Plan II (B) employees have 563 hours or more of sick leave.

Plan II (C) employees are those Plan II employees whose sick leave accumulation has fallen below 196 hours.

On the date you become covered under the Plan, your bi-weekly contribution will be determined as shown under the Schedule of Bi-Weekly Contribution below. It will be re-determined on each quarterly Reclassification Date thereafter and your contribution will be adjusted starting with the first full pay period after the quarterly Reclassification Date.

Your contributions, if any, will be deducted from your pay on a bi-weekly basis.

## **A. SCHEDULE OF BI-WEEKLY CONTRIBUTIONS**

This schedule lists the biweekly contributions payable by all enrolled Third Judicial Circuit employees (full-time only). Employee's Classification based on accumulated sick leave:

Plan I employees:

Employee has fewer than 196 hours of sick leave

Bi-Weekly Contribution is \$2.46 for each \$100 of earnings

Plan II employees:

Employee has at least 196 hours but fewer than 563 hours of sick leave (Plan II-A)

Bi-Weekly Contribution is \$.67 for each \$100 of earnings

Employee has 563 hours or more of sick leave (Plan II-B)

Bi-Weekly Contribution is \$.00 for each \$100 of earnings

Employee classified in Plan II who has fewer than 196 hours of sick leave (Plan II-C)

Bi-Weekly Contribution is \$2.07 for each \$100 of earnings

Maximum monthly benefit is \$3,500

\$2,423 of bi-weekly earnings produces the maximum monthly benefit of \$3,500. Your contribution will be deducted from your pay on a bi-weekly basis.

## **B. GENERAL DEFINITIONS**

- (1) The terms "full-time employees", "credited service", "pay period", "sick leave plan", and "days of accumulated sick leave" have the meanings set forth by Third Judicial Circuit, the Employer.
- (2) Your "monthly rate of basic earnings" is your regular monthly salary or wage rate in effect for the last complete payroll period before the start of your disability excluding bonuses, overtime pay and other extra compensation.

- (3) The "Reclassification Date" shall be the first day of each quarter (January 1, April 1, July 1 and October 1) in which the number of hours of accumulated sick leave activates a change of Plans. The resulting Plan and Premium deduction adjustment shall take place in the following full pay period.

### **C. ELIGIBILITY**

If you, as a newly hired employee, are in the eligible class, you will become eligible for coverage under the Plan on the first day of the pay period immediately following the completion of one full pay period of employment.

Employees failing to enroll when newly hired shall be given periodic opportunities to enroll. Such opportunities will be known as "Open Enrollment Periods".

If you return to work in the eligible class while you are classified by the Employer as on lay-off or leave of absence without pay, you will become eligible for coverage under the Plan on the first day of the pay period following your re-employment date.

### **D. EFFECTIVE DATE OF COVERAGE**

You will become covered under the Plan on the date you are eligible if, before that date, you have made written request to the Third Judicial Circuit's Office of Human Resources for coverage and agreed to make the required contributions. If you make this request on or within 31 days after the date of your eligibility as a newly hired employee, your coverage will become effective on the first day of the first full pay period following the date of your request.

If you fail to request coverage within 31 days from your eligibility date, you must wait until an "Open Enrollment Period" to request coverage.

Employees enrolling during an "Open Enrollment Period" shall be eligible and have an effective date of coverage determined and announced by the Employer.

If, on the day you would otherwise become covered under the group plan as provided in any of the above terms of this section, you do not meet both of the following requirements (a) and (b), your coverage will not become effective until

the first day of the first full pay period immediately following the date on which you meet both of these requirements:

- (1) you are actively working, and
- (2) you are regularly working throughout your normally scheduled workweek.

NOTE: See "Disabilities Not Covered " on page 13.

#### **E. TERMINATION OF COVERAGE**

Your coverage will terminate under the Plan on the earliest of the following dates:

- (1) The last day of the period for which you make your last required contribution, if you decide to stop your contributions.
- (2) If you are temporarily laid-off or are granted leave of absence without pay, on the day before the lay-off or leave commences. See the following section entitled "Status During Layoff or Leave of Absence".
- (3) The date the Plan discontinues.
- (4) The date your employment with the Third Judicial Circuit terminates
- (5) The date you cease to be a member of a class of employees eligible for coverage under the Plan.

If you are totally disabled on the date your coverage terminates under the Plan, the benefits described in this Booklet will continue to be available during the uninterrupted continuance of the total disability to the limits described on pages 13-14.

## **F. STATUS DURING LAYOFF OR LEAVE OF ABSENCE**

If your coverage terminates because you are on a leave of absence due to total disability, you will continue to become eligible for benefits as provided in the last paragraph of the "Termination of Coverage" section.

When you return to active work in an eligible class from layoff, or leave of absence, for any reason, after your coverage previously terminated, you will again become eligible for coverage under the plan on the first day of the pay period next following or coinciding with your re-employment date. In this event, your coverage will become effective immediately as soon as you become eligible and the requirement that you must make written request will be waived. Also, the "pre-existing condition" rule in the second paragraph of the "Disabilities Not Covered" section (page 13) will apply to your coverage only if the period of coverage which terminated because of your layoff or leave of absence had not lasted at least 12 consecutive months.

## **II. BENEFIT INFORMATION**

### **A. BENEFIT DEFINITIONS**

- (1) To become considered "totally disabled" during the first 24 months of any period of total disability, you must be under the care of a legally qualified physician and be unable, solely because of the disease; accidental bodily injury, or pregnancy, to work at your usual occupation. Your usual occupation means the type of work in which you usually engage and is not limited to the actual job you were performing prior to the start of total disability.

After the first 24 months of a period of total disability, to be considered totally disabled, you must be under the care of a legally qualified physician and be prevented by your disease, injury, or covered pregnancy, from working at any "reasonable occupation". A "reasonable occupation" is any gainful activity for which you are, or may reasonably become, fitted by your education, training or experience, except an "approved rehabilitation program" defined on page 14.

At any time that your period of total disability is due primarily to a mental, psychoneurotic or personality disorder, you will not be considered to be under the care of a legally qualified physician unless such physician specializes in the practice of psychiatric medicine or has, by reason of training or experience, a specialized competency in the field of psychiatric medicine sufficient to render the necessary evaluation and treatment of mental illness.

- (2) A "period of total disability" starts when you become totally disabled, but not more than 31 days before the date you are treated personally by a legally qualified physician, and ends when benefits are no longer available to you as described in the Section entitled "When Your Benefits Will Terminate" on page 13 of this Booklet.
- (3) If you again become "totally disabled" from the same or a related cause, the second period of total disability will be considered as part of the first period of total disability unless you have returned to work for at least 90 days of full-time continuous active service between the first and second period of total disability.
- (4) An "approved rehabilitation program" means only a program of vocational rehabilitation (formal or informal) or a period of part-time work, either of which has the Employer's (or designee's) approval. The Employer (or designee) will notify you in writing if your program or part-time work is approved. This approval will remain in effect until it is withdrawn by the Employer (or designee).

## **B. WHEN YOUR BENEFITS WILL START**

If you commence a period of total disability while you are covered under the Plan and if you furnish the required proof of loss, the Employer will pay a bi-weekly benefit during the continuance of the period of total disability, commencing on the day immediately following the last day for which you received any salary in accordance with the Court's sick leave plan, but in no event before the fifteenth day of disability. This period is defined as the "waiting period".



NOTE: If you received all or any part of the value of your sick leave in a single payment, you will be considered to be receiving your full salary for the number of days of sick leave you had at the commencement of the period of disability.

### **C. AMOUNT OF YOUR BENEFIT**

While you are "totally disabled" (see the Definition on page 7) and while a benefit is available under the Plan, the monthly benefit payable under the Plan for any month is the amount by which 66-2/3% of your monthly rate of basic earnings exceeds the "other income benefits" payable for the same month. However, the maximum monthly benefit payable under the Plan is \$3,500.

If the only "other income benefits" you are receiving is a benefit provided under the Federal Social Security Act (mentioned in item 7 or 8 below), the monthly benefit will not be less than \$50.

"Other income benefits" referred to above includes:

- (1) 80% of the amount of any earnings from any employer for work performed in connection with an "approved rehabilitation program"
- (2) Any other earnings (a) from the Employer for services rendered subsequent to the date your disability commenced, (b) from any other employer for any services rendered, or (c) from self-employment.
- (3) Any benefit provided with respect to your disability
  - (a) under any employer plan, labor-management plan, union welfare plan, employee benefit organization plan, any group type plan for members of an occupational or professional association or any similar type of association providing benefits for loss of time from work because of disability;
  - (b) under any fund or other arrangement providing benefits for loss of time because of disability pursuant to any compulsory benefit act or law;

- (c) for which the Employer is liable under any plan established by the Employer providing benefits for loss of time from employment because of disability.
- (4) Any payment you are entitled to receive under a retirement plan covering employees of the State of Michigan or County of Wayne, of which you are an active participant at the beginning of the period of disability.

However,

- (a) if you elect to receive other than monthly installments, the amount which will be counted will be each monthly installment which would have been made in the absence of such election; and
  - (b) any payment you are entitled to receive by reason of the increase in disability benefits which was effective on July 1, 1974 and any cost-of-living increase in disability benefits which becomes effective on or after October 1, 1976, will not be included as "Other income benefits".
- (5) Any payment under any employment connected group life insurance policy (whether issued by the Employer or any other insurer) because of your disability.
  - (6) Any income you receive under any unemployment compensation law.
  - (7) Any income to which you, your spouse, children and/or dependents are entitled because you retired (if you retired for a reason other than disability) under the Federal Social Security Act or any similar law of any national government.
  - (8) Disability benefits required or provided for under any law of a government (for example, worker's compensation benefits or benefits of a similar nature, wage replacement benefits under any no-fault automobile insurance, and disability benefits under the Federal Social Security Act). For the purposes of this item 8, there shall be included any benefits to which the employee or spouse,

children, and/or dependents are entitled by reason of the employee's disability. The amount of any such payment to which you, or your spouse, children and/or dependents are entitled is the amount actually awarded or, if greater, the maximum amount which would have been awarded by timely application and such timely reapplication and appeal as the Employer shall deem warranted under the circumstances.

Other income benefits paid in single sum payments, or periodic payments other than monthly, will be allocated to monthly periods, except as specifically provided in item 4 above.

Also other income benefits will not include disability benefits payable under your own personal policies of life or accident and health insurance.

NOTE: If you retire prior to the date you attain 70 years of age and are receiving Disability Plan benefits, benefits under this Plan may continue to be available subject to the limits described in the section "When Your Benefits Will Terminate" on page 13.

#### **D. SPECIAL PROVISION REGARDING INCREASES IN GOVERNMENTAL BENEFITS**

If there is an increase in the level of any governmental benefit during a period of total disability, the amount of the increase will be considered as "other income benefit", to the extent provided under the group policy.

The group policy has complete details as to the operation of this special provision. Depending upon the circumstances in any particular instance, an increase in a governmental benefit may either

- (1) Not be considered to be an "other income benefit"
- (2) Be considered, in part, to be an "other income benefit"
- (3) Be considered to be, in total, an "other income benefit"

Should there be an increase in a governmental benefit during a period of total disability, you may ask the Employer (or designee) for an explanation of the

effect, if any, which it will have on the Monthly Income Benefit then being paid to you under the Plan.

## **E. CLAIM PROCEDURE**

### **When to File a Claim**

To pay claims promptly, the Employer (or designee) needs time to review your claim, make any necessary investigations, and set up payment records if the claim is approved. Therefore, file your claim in accordance with the following timetable.

If at the start of disability, the number of your sick leave days is 120 days or more, then you should file when you have used up all but 30 days.

If at the start of disability, the number of your sick leave days is 20-120 days, then you should file when you have used up all but 20 days.

If at the start of disability, the number of your sick leave days is less than 20 days, then you should file when you have been "totally disabled" 10 days.

### **How to File a Claim**

A "Disability Claim Notice " and "Attending Physician's Statement" must be completed in connection with each claim. These forms are available in the Third Judicial Circuit's Office of Human Resources. Complete the "Employee's Statement" portion of the "Disability Claim Notice", sign it, and return it together with a completed "Attending Physician's Statement" to the Third Judicial Circuit's Office of Human Resources. The 'Attending Physician's Statement' must be signed and completed by the doctor who has been treating you for your disability.

You may be contacted directly by the Employer (or designee) if additional information is required.

### **When Benefits are Payable**

Benefits will be payable per the bi-weekly pay schedule issued each calendar year.

### **To Whom Benefits are Payable**

All benefit payments will be directly deposited to you per the information you provide to the Wayne County Payroll system. If your direct deposit account

information changes while you are still disabled, you must notify the Wayne County Payroll Department.

#### **F.     DISABILITIES NOT COVERED**

No benefit will be payable for a period of disability which starts during the first twelve months of your current period of coverage under the Plan if the disability is caused by or is related to a disease, injury or covered pregnancy, for which you received medical treatment or services, or took drugs or medicines which were prescribed or recommended by a physician during the six months immediately preceding the date you became insured. This is called the "pre-existing condition" rule.

This rule will not apply to a period of coverage which starts because you have returned to work while classified by the Employer as on lay-off or leave of absence without pay provided the period of coverage which terminated because of such lay-off or leave of absence lasted at least 12 consecutive months.

Also the Plan does not cover any disability which results from

- (1) intentionally self-inflicted injuries;
- (2) the commission or attempted commission by you of an assault, battery, or felony; or
- (3) war or act of war, insurrection, rebellion, or participation in a riot or civil commotion.

#### **G.     WHEN YOUR BENEFITS WILL TERMINATE**

If you are a Plan I Employee, your benefits under the Plan will terminate 24 months after the date your first monthly benefit is payable (or would have been payable in the absence of "other income benefits"), or for both Plan I and Plan II, your benefits will terminate at your death or when any one of the following occurs:

- (1) you cease to be totally disabled;
- (2) you fail to furnish the required proof of total disability, or refuse to be examined, as provided in the group policy;

- (3) you cease to be under the care of a legally qualified physician;
- (4) you start work at a reasonable occupation;
- (5) the end of the calendar month in which you attain age 70 or the expiration of 12 months of total disability following the waiting period, whichever occurs later, if you completed the waiting period on or before the date you attain age 69; or
- (6) the expiration of 12 months of total disability following the waiting period if you completed the waiting period after the date you attain age 69.

#### **H. REHABILITATION PROGRAM**

If you recover sufficiently from a disability to return to work on a part-time basis at either your own job or at a new job, you will be encouraged to do so under the "approved rehabilitation program."

If a rehabilitation program is approved, only 80% of your rehabilitation earnings will be considered as "other income benefits" in determining your benefit. This approach results in a total income which is greater than you would receive if you were not on a rehabilitation program.

If you want to return to work at the Third Judicial Circuit and apply for consideration under a rehabilitation program, you must have your doctor give you written notification stating that he does not authorize your return to work on a full-time basis but instead authorizes your return to work on a part-time basis. The doctor should also estimate the date when you would be eligible to return to work on a full-time basis. This written notification from the doctor must be submitted to the Third Judicial Circuit's Office of Human Resources on or before the day you return to part-time work.

The Employer will review this letter and may in certain situations require additional information. However, it is important to know that your rehabilitation claim will be approved until such time as you are notified to the contrary.

If in your efforts to become rehabilitated you are returning to an employer other than the Third Judicial Circuit, you should contact the Third Judicial Circuit's Office of Human Resources to receive appropriate instructions.

### **III. GENERAL INFORMATION**

#### **A. CHANGE OR DISCONTINUANCE OF THE PLAN**

The Third Judicial Circuit Court hopes to be able to continue this plan indefinitely, but as is customary in group insurance plans, it reserves the right to modify or discontinue the Plan.

You will be notified of any change in benefits or contributions. Should the plan be terminated, of course, all coverage will automatically cease but this will not affect any claim for disability benefits based upon a disability which commenced while the Plan was in force.

#### **B. GENERAL POLICY PROVISIONS**

##### ***Assignment***

No assignment of any present or future right, interest, or benefit under the group policy will bind the Employer without its written consent.

##### ***Misstatement***

If any facts relevant to the existence or the amount or extent of insurance shall be found to have been misstated, the true facts shall be used to determine whether you are covered under the terms of the group policy and in what amount or to what extent.

##### ***Time Limit on Certain Defenses***

No claim for disability commencing after two (2) years from the effective date of your coverage will be reduced or denied on the grounds that a disease or physical condition, not excluded from coverage by name or specific description effective on the date of loss, had existed prior to the effective date of your coverage.

***Proof of Loss***

Written proof covering the occurrence, the character, and the extent of disability must be furnished to the Employer (or designee), within ninety (90) days following the date you would otherwise become entitled to receive benefits. Subsequent written proof of the continuance of such disability must be furnished to the Employer (or designee) at such intervals as the Employer (or designee) may reasonably require. Failure to furnish such proof within the time required will not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of your legal capacity, later than one year from the time proof is otherwise required. No action at law or in equity will be brought to recover on the group policy after the expiration of three (3) years after the time written proof of loss is required to be furnished.

The Employer (or designee) will have the right to require as part of the proof of claim satisfactory evidence (a) that you have made application for all other income benefits referred to in items 3, 4, and 8 under the Section entitled "Amount of Your Benefit" and also that you have made application for any benefits to which you, your spouse, children and/or dependent, may be entitled under the Federal Social Security Act because of your retirement, if such retirement is for a reason other than early retirement, (b) that you have furnished all required proofs for such benefits, and (c) of the amount of such benefits payable.

The Employer (or designee) at its own expense shall have the right and opportunity to have a physician it designates examine any individual whose injury or sickness is the basis of claim, when and as often as it may reasonably require during the period for which such individual claims benefits under the group policy.

***Payment of Claims***

Subject to proof of claim, all accrued benefits under the group plan will, except as otherwise specifically provided, be paid bi-weekly during the period for which benefits are payable, and any balance remaining unpaid at the termination of such period will be paid immediately upon receipt of due proof. Benefits will be paid to you via direct deposit.



A benefit payable for a period which is less than a full bi-weekly period will be computed on a pro-rata basis.

If any benefit under the group policy is payable to your estate, or to you if you are a minor or otherwise not competent to give a valid release, the Employer may pay such benefit up to an amount not exceeding \$1,000 to any relative by blood or connection by marriage of yours who is deemed by the Employer to be fairly entitled to such payment. Any payment made by the Employer in good faith as provided in this paragraph will fully discharge the Employer to the extent of such payment.

***General***

Failure of the Employer to insist upon compliance with any specific provision of the group policy at any given time will not affect its right to insist upon compliance with such provision at any other time.

***Determination by the Employer***

The determination and findings made in good faith by the Employer (or designee) with respect to (a) the fact and time of commencement, duration and termination of your employment, lay-off, leave of absence without pay, or absence because of sickness or injury, (b) your monthly rate of basic earnings, (c) any fact relating to a retirement plan, (d) the length of your credited service, (e) any fact relating to the Third Judicial Circuit's sick leave plan and the number of hours of sick leave you have accumulated, will be conclusive and binding upon all persons for the purposes of the group policy.

***Appeals***

Any Employee whose claim is denied, or whose benefits are reduced or terminated shall have a right to appeal such decision to the Third Judicial Circuit. Appeals must be filed in writing with the Third Judicial Circuit's Office of Human Resources within 60 days from the date of the decision. The Third Judicial Circuit shall review the appeal and notify the Employee of its decision within 60 days from the date the appeal is filed. All appeals shall be decided at the sole discretion of the Third Judicial Circuit, and the decision on any Appeal is final.

### **C. OTHER FACTS ABOUT THE PLAN**

Q. Must I use all my accumulated sick leave before being eligible for benefits?

A. Yes.

Q. Does my annual leave accumulation have any bearing on my disability benefit?

A. No. Disability benefits will commence at expiration of sick leave regardless of accumulated annual leave.

Q. Will I receive benefits if on a leave of absence as the result of a disability?

A. Benefits will be available, subject to the terms of the Plan, as long as your period of total disability commenced while you were insured and in active employee status.

Q. Do I have disability coverage if I take a leave of absence for reasons other than disability or if I am laid-off?

A. Coverage is suspended for the period of time away from work and may not be continued by paying premiums in cash. The reason for this is simply because there is no income from your job to protect.

Q. If I resign from Third Judicial Circuit, may I convert my coverage to another form of disability income insurance?

A. This plan provides no conversion rights.

Q. May I receive a disability benefit from the Plan along with Social Security and Retirement Benefits?

A. Partial Plan benefits will be available to supplement Social Security and Retirement Benefits to bring about a combined Income of 66-2/3% of your base pay. If Social Security is the only "other income benefit" involved, the minimum disability plan payment will be \$50. See pages 9-11 of this booklet.

Q. If I am off work as a result of a duty incurred disability for which I am receiving wage replacement from Worker's Compensation, will my LTD contributions continue?

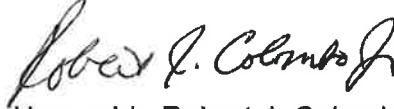
A. No

**IV. EFFECTIVE DATE OF LONG TERM DISABILITY AND INCOME PROTECTION PLAN**

The above Long Term Disability and Income Protection Plan is hereby amended effective October 1, 2017.

Date: *10/1/2017*

THIRD CIRCUIT COURT

A handwritten signature in black ink, appearing to read "Robert J. Colombo, Jr.", written in a cursive style.

Honorable Robert J. Colombo, Jr  
Chief Judge