LONG-TERM DISABILITY BENEFITS

Revised September 1, 2004
BENEFIT INFORMATION

WHY LONG-TERM DISABILITY COVERAGE

People tend to take their good health and ability to work for granted. We all assume serious illness or injury happens to someone else.

Yet, if You were disabled for an extended period of time, would Your savings carry You through? Your answer is probably “No.” That is why we have a Long-term Disability Program. It assures a continuing income should You be unable to work due to an accident or sickness. It covers disabilities sustained on or off the job, and lasting longer than 90 calendar days.

The cost for this protection is paid entirely by the Omaha Board of Education except for half-time certificated employees who pay one-half of the cost of this benefit.

DEFINITIONS

(a) “Covered Employee” means an employee who has met the service requirements set forth in the General Information section of the booklet(s), and who has not been terminated.

(b) “Totally Disabled” means the complete inability of the Covered Employee, because of sickness or accidental bodily injury, to engage in 100% of the duties of his regular occupation. However, after Monthly Indemnity Benefits have been paid for 24 consecutive months, “Totally Disabled” will mean the complete inability of the Covered Employee, because of sickness or accidental injury, to engage in any occupation in which he could, giving due consideration to his education, training and experience, be reasonably expected to engage.

(c) “Partial Disability and Partially Disabled” means that because of injury or sickness You, while unable to perform all of the material duties of Your regular occupation on a full-time basis, are:
   (1) performing at least one of the material duties of Your regular occupation or another occupation on a part-time or full-time basis; and
   (2) not currently earning more than:
      a. 80% of the Pre-disability Earnings if You return to Your own occupation; or
      b. 70% of the Pre-disability Earnings if You return to another occupation.

(d) “Physician” means any person, other than a close relative, who is recognized by the law of the state in which treatment is received as qualified to treat the type of sickness or injury causing the loss for which claim is made.

(e) “Full-time Employee” means the covered employees attendance in person at his/her usual customary place of business (outside his/her place of residence), acting in the full-time performance of the duties of his/her occupation for wages or profit, on at least a 30-hour per week basis. Employees acting in a half-time certificated position, as determined by the employer, will be eligible for coverage as a full-time employee. These half-time certificated employees will pay one-half of the cost of this benefit.
(f) “Monthly Gross Salary” means the monthly salary of wage, computed as of the date immediately preceding commencement of disability, excluding compensation for overtime work. With respect to teachers, Monthly Gross Salary shall include compensation for duties performed in addition to their regular occupational duties, as determined by the Omaha Board of Education.

(g) “Pre-disability Earnings” means Your basic monthly earnings in effect just prior to the date of Your disability.

(h) “Employer” means Omaha Public Schools.

(i) "Plan Administrator" means Omaha Public Schools.

(j) "Claims Administrator" means United of Omaha Life Insurance Company.

(k) "United of Omaha/United" means United of Omaha Life Insurance Company.

SPECIAL PROVISIONS

Change in Benefits - The Employer may amend the Plan at any time. Any increase in benefits will be effective on the date of such change, provided the Covered Employee is then in full-time employment. Any decrease in benefits will be effective immediately on the date of such change.

Leave of Absence - The coverage of any Covered Employee who has ceased active work on account of an approved leave of absence may be continued with the Covered Employees “Basic Monthly Salary or Wage” to be based on his earnings for the immediately preceding school year, except as provided below. With respect to leaves granted after the start of a school term, “Basic Monthly Salary or Wage” shall be based on the Covered Employees salary level for the school year then in progress and “Basic Monthly Salary or Wage” for a Covered Employee on a Sabbatical leave shall be based on one-half of his earnings for the school year immediately preceding the commencement of the Sabbatical.

DESCRIPTION OF BENEFITS

Amount

This Plan pays a monthly benefit of 60% of Your Monthly Gross Salary, to a maximum of $8,500. This monthly benefit will be coordinated with other benefits You may be eligible to receive (see Coordination of Benefits), but in no event will the benefit be less than 10% of Your Monthly Gross Salary.

Payments

Benefit payments will be made for the same months You would have normally received a salary from the School District.

Benefits Begin

After 90 calendar days from the date of disability.

Benefits Are Payable for

(a) a mental illness or disorder - 24 months.

(b) drug addiction if hospitalized - three months.
(c) any other accident or sickness, as long as You remain disabled to August 31 following age 65 if You become disabled prior to Your 61st birthday.

If You become disabled on or after Your 61st birthday, benefits are paid on the following schedule:

<table>
<thead>
<tr>
<th>Age</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 61</td>
<td>4 years</td>
</tr>
<tr>
<td>Age 62</td>
<td>3 1/2 years</td>
</tr>
<tr>
<td>Age 63</td>
<td>3 years</td>
</tr>
<tr>
<td>Age 64</td>
<td>2 1/2 years</td>
</tr>
<tr>
<td>Age 65</td>
<td>2 years</td>
</tr>
<tr>
<td>Age 66</td>
<td>1 3/4 years</td>
</tr>
<tr>
<td>Age 67</td>
<td>1 1/2 years</td>
</tr>
<tr>
<td>Age 68 and over</td>
<td>1 years</td>
</tr>
</tbody>
</table>

**DEFINITION OF DISABILITY**

To initially qualify for benefits and to receive the first 24 monthly payments, You must be completely unable to perform the duties of Your occupation.

After the first 24 months of benefit payments, You will continue to receive benefits if You are completely unable to perform the duties of any occupation for which You are reasonably qualified by education, training or experience.

A disabled employee must be under a Physician’s care. Normally, the employee’s own physician determines the degree of physical impairment caused by the disabling condition. The Employer does have the right, however, to have the employee examined by a physician selected by the Employer when and as often as it may reasonably require during the pendency of a claim and during the period of payment of any disability benefits to determine the employee’s right to receive disability benefits under the plan.

However, if You are Partially Disabled within 31 days of the end of a period during which You received benefits for total disability, a monthly benefit will be continued. The Partial Disability must result from the injury or sickness that caused disability.

If You are Partially Disabled, a Partial Disability benefit will be payable if earnings do not exceed an “earnings test” of:

(a) 80% of the pre-disability income if You return to Your own occupation or

(b) 70% of pre-disability income if You return to another occupation.

Partial Disability benefits will be equal to the total disability benefits minus 50% of wages earned.

**FEDERAL INCOME TAX LIABILITY**

The disability benefits You will receive are paid for by Your employer and are taxable income to You. Your employer must report Your total taxable disability benefits to the Internal Revenue Service.

Your disability benefits are subject to federal and state income tax withholding.
FICA (SOCIAL SECURITY TAXES ON DISABILITY BENEFITS)

The first six months of disability benefits that are paid during disability are subject to Social Security tax (FICA). This tax will be deducted automatically at the time checks are written. Your employer is responsible for matching the employee FICA taxes and making appropriate remittance to Social Security Administration.

COORDINATION OF BENEFITS

Since this Plan is designed to provide sufficient income during disability and not to duplicate other benefits, this Plan’s payments will be coordinated to the maximum extent permitted by law with any benefits for which You or Your dependents may be eligible from:

(a) Social Security (primary and family).
(b) Workers’ compensation.
(c) Employer’s sick leave plan.
(d) Omaha School Employees’ Retirement System and/or the Nebraska School Employees’ Retirement System.
(e) Other disability, retirement or income benefits provided by the Employer.
(f) Any compensation or other income for performing work or services other than duties performed for the Employer.
(g) Any other group disability plan.
(h) Any salary continuance plan.
(i) Any Summer Pay Stipend.

Only the initial Social Security benefit amount You or Your dependents are awarded will be coordinated with this Plan. Cost of living increases or changes in dependent status will not affect Your Social Security offset amount.

Any benefits You receive from these plans will be computed to an annual amount, then divided by the number of months You receive payments from this Plan, in order to determine the correct amount to be coordinated.

If You receive a retroactive benefit payment that is coordinated with the Plan’s disability income benefits (for example, Social Security disability), You must repay any excess disability benefits You received from the Employer as a result of the failure to coordinate such retroactive benefits in the previous periods. Such overpayment may be recovered by suspending all or a portion of the Plan’s future disability payments to the extent permitted by law.

The payment of disability benefits under the Plan is conditioned upon Your application for other benefits for which You and Your dependents may be eligible and that are coordinated with the Plan’s disability benefits other than benefits under the Omaha School Employees’ Retirement System and/or the Nebraska School Employees’ Retirement System. Benefit payments may be suspended in the event You fail to pursue or enforce Your rights to the payment of such benefits.
Regardless of the amount received from one or more of the coordinating benefits, this Plan will provide a minimum of 10% of Your Monthly Gross Salary.

In some instances, an individual may not qualify for any other benefits from other sources (examples: disability retirement, Social Security, etc.). In those cases, there is no coordination of benefits and the entire 60% is paid by the Plan.

An example of such a situation is as follows.

**Example X - No Coordination of Benefits**

<table>
<thead>
<tr>
<th>Assumptions:</th>
<th>Monthly Gross Salary</th>
<th>Benefit package</th>
</tr>
</thead>
<tbody>
<tr>
<td>. Employee’s Monthly Gross Salary is computed at $2,000</td>
<td>$2,000</td>
<td>60%</td>
</tr>
<tr>
<td>. Payment begins on the 91st day of disability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>. No coordination of benefits</td>
<td></td>
<td>$1,200</td>
</tr>
<tr>
<td>Monthly Benefit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(60% of Monthly Gross Salary)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In most instances, however, there will be income provided from other sources. In these cases, the benefits will be coordinated.

An example of such a situation is as follows.

**Example Y - Coordination of Benefits**

(This example lists only one item subject to coordination.)

<table>
<thead>
<tr>
<th>Assumptions:</th>
<th>Total Monthly Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>. Employee’s Monthly Gross Salary is computed at $2,000</td>
<td>$1,200</td>
</tr>
<tr>
<td>. 60% of monthly salary is $1,200</td>
<td></td>
</tr>
<tr>
<td>. Payment begins on the 91st day of disability</td>
<td></td>
</tr>
<tr>
<td>. Coordinates with workers' compensation benefits.</td>
<td></td>
</tr>
<tr>
<td>Total Monthly Benefit (60% of monthly salary)</td>
<td>$1,200</td>
</tr>
<tr>
<td>Monthly Benefit from workers' compensation</td>
<td>- 800</td>
</tr>
<tr>
<td>Monthly Benefit from LTD Plan</td>
<td>$400</td>
</tr>
</tbody>
</table>

**IN THE CASE OF A RECURRING DISABILITY**

The recurrence of total disability from the same or related causes, in less than three months after You have returned to work, is treated as a continuation of the prior period of disability and benefit payments are resumed.
CLAIM PROCEDURES

After You have been unable to work for 60 days, obtain a claim form from the Compensation & Benefits Office, Omaha Public Schools, 3215 Cuming St., Omaha, NE 68131-2024. Complete Your section, and then have Your Physician fill in his portion. The claim form is to be returned to the Compensation & Benefits Office for processing.

The claim form is due:

1. within 90 days after the loss occurs; or
2. as soon as reasonably possible, but not later than one year after (1) above, unless the claimant is not legally capable.

The Claims Administrator will process the claims, compute benefits due and issue draft(s) in settlement. All indemnities will be made payable to You, at the next regularly scheduled payment date.

A decision will be made by the Plan Administrator no more than 90 days after receipt of due proof of loss, except in special circumstances (such as the need to obtain further information), but in no case more than 180 days after the due proof of loss is received. The written decision will include specific reasons for the decision and specific references to the Plan provisions on which the decision is based.

EXAMINATION

We sometimes require that a claimant be examined by a physician of our choice. We will pay for these examinations. We will not require more than a reasonable number of examinations.

HOW YOU WILL RECEIVE YOUR BENEFIT

A monthly benefits check will be provided to you through the Compensation & Benefits Office when your disability has been approved. Periodic inquiries may be made by the School District on the continuance of Your disability.

APPEALING DENIAL OF CLAIMS

If a claim for benefits is wholly or partially denied, notice of the decision will be furnished to You. This written decision will:

1. Give the specific reason or reasons for denial;
2. Make specific reference to Plan provisions on which the denial is based;
3. Provide a description of any additional information necessary to prepare the claim and an explanation of why it is necessary; and
4. Provide an explanation of the review procedure.

On any denied claim, You or Your representative may appeal to the Plan Administrator for a full and fair review. The claimant may:

1. Request a review upon written application within 90 days of receipt of claim denial.
2. Review pertinent documents.
3. Submit issues and comments in writing.
A decision will be made by the Plan Administrator no more than 60 days after receipt of the request for review, except in special circumstances (such as the need to hold a hearing) but in no case more than 120 days after the request for review is received. The written decision will include specific reasons for the decision and specific references to the Plan provisions on which the decision is based.

To request a hearing, send a written request to the Office of the Superintendent of the Omaha Public Schools.
GENERAL INFORMATION

EFFECTIVE DATE OF COVERAGE

As a full-time regular employee of the Employer, You will be covered on the first day of the calendar month following completion of one month of continuous service. If You are not at work due to illness or accident on that day, Your coverage will begin as soon as You return to full-time employment.

TERMINATION OF COVERAGE

You will be covered for as long as the Plan is continued or until You cease to be an eligible employee. The Employer may also terminate the Plan at any time, and Your coverage will end on the effective date of any such termination.

Termination of coverage will not prejudice any claim originating prior to termination.

THE PLAN DOES NOT COVER DISABILITIES CAUSED BY

(a) war or while in military service.

(b) intentionally self-inflicted injuries or sickness.

(c) loss incurred while committing or in consequence of having committed a felony.

(d) drug addiction unless hospital confined.

SUBROGATION

If benefits are paid to You under the Plan as a result of sickness or accidental bodily injury, and You have a lawful claim against other parties or insurers for compensation or damages or other payment because of that same sickness or injury and/or recover such amounts from such parties or insurers (regardless of whether a lawsuit was filed) which includes an amount applicable to the benefits paid by this Plan, the Plan shall be subrogated to all recoveries and rights of recovery with respect to such parties or insurers. Any recovery or settlement reached with such parties or insurers with respect to any sickness or injury for which benefits have been paid by this Plan shall be deemed to include a reasonable amount applicable to the benefits paid or to be paid by the Plan, regardless of whether such amount is referenced in the recovery or settlement documents or, if referenced, is expressed as an unreasonably low amount.

You are required as a condition to the payment of benefits to execute and deliver such instruments and papers as may be required by the Employer and do whatever else is needed to secure such rights. You agree that You will not take any action, or fail to take any reasonable action, that would prejudice the Plan’s right of reimbursement hereunder.

If You receive any recovery as described herein You shall reimburse the Plan by direct payment and the Employer or Claim Administrator shall be entitled to bring appropriate action to enforce this right of reimbursement.
If You or Your legal representative fail to bring suit against a third party, the Employer may institute suit against such third party in the Plan’s name or in Your name and be entitled to retain from any judgment or settlement the amount of benefits paid or to be paid to You, together with all court costs and attorney fees.
ANSWERS TO COMMONLY ASKED QUESTIONS

Q. Must I be confined to a hospital for my claim to be paid?
A. No! You need not be confined to a hospital or even Your house in order to collect benefits. However, You must be under the regular care and attendance of a qualified physician.

Q. Must I be Totally Disabled to be eligible to receive benefits?
A. Yes. You must be Totally Disabled to be eligible for benefits. However, once You receive benefits for being Totally Disabled, benefits may be payable to a Partial Disability which allows You to return to work even on a partial basis.

Q. What salary do You use when calculating my disability benefits?
A. Your benefit is based on the salary You were earning the day before You became disabled. If the salary for Your former position increases while You are receiving LTD benefits, Your monthly LTD benefit payment will not increase since You are not actively at work.

Q. If my coverage ends for any reason, may I convert this Plan?
A. There is no conversion privilege available.

Q. Will any individual disability plan I may have be affected by this coverage?
A. No. Benefits from this Plan are not coordinated with individual polices.

Q. Will prior injuries or sickness affect my coverage?
A. No. There are no restrictions on coverage due to past medical problems.

Q. Will this coverage affect my military pension?
A. No. Benefits from this Plan will not be integrated with any military pension benefits You receive.

Q. Do I have to pay taxes on these benefits?
A. Yes. You must pay Federal and State income tax on these disability benefits. Disability income is also taxable by Social Security for the first 6 months You are disabled.
FAMILY AND MEDICAL LEAVE

as Federally Mandated

FAMILY AND MEDICAL LEAVE

If You become eligible for a family or medical leave of absence in accordance with the Family and Medical Leave Act of 1993 (FMLA) (including any amendments to such Act) Your coverage may be continued on the same basis as if You were an Actively at Work employee for up to 12 weeks during the 12 month period, as defined by Your Employer, for any of the following reasons:

(a) to care for Your child after the birth or placement of a child with You for adoption or foster care; so long as such leave is completed within 12 months after the birth or placement of the child;

(b) to care for Your spouse, child, foster child, adopted child, stepchild, or parent who has a serious health condition; or

(c) for Your own serious health condition.

In the event You or Your spouse are both covered as employees of Ours, the continued coverage under (a) may not exceed a combined total of 12 weeks. In addition, if the leave is taken to care for a parent with a serious health condition, the continued coverage may not exceed a combined total of 12 weeks.

CONDITIONS

1. If, on the day Your coverage is to begin, You are already on an FMLA leave of absence You will be considered Actively at Work. Coverage for You and any eligible dependents (if applicable) will begin in accordance with the terms of the Plan. However, if Your leave of absence is due to a serious health condition, benefits for that condition will not be payable to the extent benefits are payable under any prior group plan.

2. You are eligible to continue coverage under FMLA if:

   (a) You have worked for Your Employer for at least one year;

   (b) You have worked at least 1,250 hours over the previous 12 months;

   (c) Your Employers employs at least 50 employees within 75 miles from Your worksite; and

   (d) You continue to pay any required premium for yourself and any eligible dependents (if applicable) in a manner determined by Your Employer.

3. In the event You choose not to pay any required premium during Your leave, Your coverage will not be continued during the leave. You will be able to reinstate Your coverage on the day You return to work, subject to any changes that may have occurred in the Plan during the time You were not covered. You and any covered dependents (if applicable) will not be subject to any evidence of good health requirement provided under the Plan. Any partially-satisfied waiting periods, including any limitations for a preexisting condition, which are interrupted during the period of time premium was not paid will continue to be applied once coverage is reinstated.
4. You and Your dependents (if applicable) are subject to all conditions and limitations of the Plan during Your leave, except that anything in conflict with the provisions of the FMLA will be construed in accordance with the FMLA.

5. If requested by United, You or Your Employer must submit proof acceptable to United that Your leave is in accordance with FMLA.

6. This FMLA continuation is concurrent with any other continuation option except for COBRA, if applicable.

7. FMLA continuation ends on the earliest of:
   (a) the day You return to work;
   (b) the day You notify Your Employer that You are not returning to work;
   (c) the day Your coverage would otherwise end under the Plan; or
   (d) the day coverage has been continued for 12 weeks.

Definitions

Prior Group Plan means the group plan providing similar benefits (whether insured or self-insured plans provided by Your Employer) in effect immediately prior to the effective date of this Plan.

Serious Health Condition is defined as stated in the FMLA.

Important Notice

Contact Your Employer for additional information regarding FMLA.
CAUTION: In the event of any inconsistencies between the description of the Plan contained in this booklet and the actual provisions of the Plan Document, the actual provisions of the Plan Document will prevail. Copies of the Plan Document are maintained in the Compensation & Benefits Office. If so desired, they may be seen at the Compensation & Benefits Office, Omaha Public Schools, 3215 Cuming St., Omaha, NE 68131-2024.

Group Identification Number G000DT60
and
Plan Identification Number LTDBASC