



Maine State  
Employees Association  
Income Protection Plan & Trust

## INCOME PROTECTION PLAN

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# QUESTIONS AND ANSWERS

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Maine State Employees Association  
Income Protection Plan  
65 State Street  
Augusta, Maine 04330-5126  
(207) 622-3151 or 1-800-452-8794  
TDD (207) 621-1468 or 1-800-321-2626  
Fax: (207) 621-1475



## MSEA INCOME PROTECTION PLAN

**A Wage Insurance Program  
Made Available By Your Union**

And at a surprisingly low cost!  
Only \$0.40 weekly per \$100 of monthly benefit.

*Sick leave is fine, of course, but not everyone is able to save up a substantial backlog. For these reasons...because regular dependable income is of maximum importance when non-occupational disability makes it impossible to work...a reliable substitute for salary is a necessity. Thanks to the MSEA Income Protection Plan, an answer is available.*

### HOW DOES THE INCOME PROTECTION PLAN WORK?

You may select any amount of monthly benefit (in multiples of \$100) up to the maximum for which your salary makes you eligible. (See chart on the MSEA Income Protection application card.) The amount of weekly premiums will be deducted from your paycheck and forwarded to the MSEA Income Protection Plan office. If you are filing a claim and off payroll, you must pay the Plan directly. When possible, your MSEA dues and Income Protection premiums will be deducted from your Income Protection benefit.

### HOW WILL BENEFITS BE PAID?

Your plan of INCOME PROTECTION will begin to pay monthly benefits following a waiting period of fourteen (14) consecutive days of non-occupational disability during which you are under the care of a licensed physician.

### WHO IS ELIGIBLE?

If you hold a permanent job in a bargaining unit represented by the Maine State Employees Association (MSEA), are employed to work at least 1,040 hours per year, and are a member of the MSEA, you will be eligible to join the MSEA Income Protection Plan, provided that you join the MSEA within 180 days of hire and join the Income Protection Plan within 31 days from the date you become a member of the MSEA.

### HOW DO I ENROLL?

Just fill in the blanks on the application card and mail it to the MSEA Income Protection Plan, 65 State Street, Augusta, Maine 04330-5126.

### WHEN MUST I ENROLL?

You have 31 days from the date you become an MSEA member, during which you may enroll without furnishing satisfactory evidence of good health (Evidence of Insurability, EOI), provided that you joined MSEA within 180 days of first becoming an employee of a bargaining unit represented by MSEA. The MSEA Income Protection Plan must receive your application within the 31 days. This time limit applies to applications that are either hand-delivered by you or your designee to MSEA or mailed. If mailed, your application must be post-marked within the 31 days.

## HOW DO I ENROLL IF I DIDN'T JOIN WITHIN THE TIME LIMITS?

Acceptance of your application will be automatic if you enroll promptly as described above.

If you fail to enroll during the 31 day period mentioned above or fail to join MSEA within 180 days of first becoming eligible, you may enroll only upon submission and acceptance of Evidence of Insurability (EOI). You can obtain an Evidence of Insurability form by contacting the MSEA Income Protection Plan office. No physical exam is required. You must answer all questions on the form and return it to the Plan office. Your eligibility to join with an EOI is determined by the Group Underwriting Department of Health Plans, Inc., Contract Administrator for the Plan. It is important to provide accurate information on the EOI form as future claims could be denied if the information provided is not correct.

## WHEN MUST I ENROLL IF I AM A MEMBER OF A NEWLY CHARTERED MSEA LOCAL?

If MSEA is your bargaining agent, but you are not covered by a Collective Bargaining Agreement, you have 31 days from the date you become eligible to join the MSEA (either the date your Local is chartered by the MSEA or your date of hire).

## HOW DO I FILE A CLAIM?

Obtain a claim form from the MSEA Income Protection Plan office, 65 State Street, Augusta, Maine 04330-5126 or call 1-207-622-3151, toll free 1-800-452-8794. Complete your section of the form. Have the "Attending Medical/Mental Health Provider Statement" completed by your medical provider and return it to the MSEA Income Protection Plan office. Claims will be reviewed for accuracy and completeness and forwarded promptly to Health Plans, Inc.'s Claim Center for processing and payment of benefits. If your claim for benefits is denied, in whole or in part, you have the right to appeal the denial of benefits.

## MAY I APPOINT SOMEONE TO HANDLE MY BUSINESS REGARDING MY INCOME PROTECTION CLAIM IF I AM UNABLE OR UNAVAILABLE TO DO SO?

Yes – you must provide the person's name, address and telephone number in writing to the MSEA Income Protection Plan. In addition, the person appointed by you must provide your social security number when contacting the Plan.

## HOW LONG CAN I COLLECT BENEFITS?

Up to twelve (12) full months of benefits, after satisfying a fourteen (14) day waiting period, for each separate non-occupational cause of disability.

## CAN MY BENEFITS BE REDUCED BY OTHER COVERAGES?

**Yes – Disability Retirement and Regular Retirement:** If your medical provider indicates that you are no longer able to return to work and you are eligible to apply for Disability Retirement benefits or Regular Retirement benefits, the MSEA Income Protection Plan will only pay benefits through the first six (6) months of disability at which time benefits will be suspended. If your medical provider does not determine that you are permanently disabled within the first six (6) months but advises you after the sixth (6th) month that you are no longer able to work, Income Protection benefits will be

immediately suspended.

Any benefits payable under the Plan from the beginning of the seventh (7th) month through the twelfth (12th) month of disability will be determined after you receive notification of the amount of your Disability Retirement or Regular Retirement benefits and forward a copy of your retirement benefits calculation to the Plan.

**Disability Retirement:** Any Income Protection benefits payable under the Plan beginning with the seventh (7th) month through the twelfth (12th) month will be reduced by any Disability Retirement benefits to which you become entitled. You will be required to complete a Subrogation Reimbursement Agreement, after receiving six (6) full months of benefits as described below.

**Regular Retirement:** Any Income Protection benefits payable under the Plan beginning with the seventh (7th) month through the twelfth (12th) month, up to the lesser of the Income Protection benefits received or the Retirement benefits to which you become entitled, or as to which you personally would become entitled if your application for same were submitted and approved by a federal, state, county or municipal retirement system (including without limitation the Maine Public Employees Retirement System). This means that your benefits under the Plan will be reduced automatically, no matter whether you apply for retirement benefits or not, if you are eligible for Regular Retirement after you have received six (6) months of benefits under this Plan.

**Yes – Early Retirement:** If you file for retirement benefits from the Maine Public Employees Retirement System, or any other retirement plan, before you are eligible for Regular Retirement (which is generally referred to as "Early Retirement"), any benefits payable under the Plan from the beginning of the seventh (7th) month through the twelfth (12th) month of disability will be reduced by the amount of the Early Retirement benefits you receive. This reduction applies even if you apply for Early Retirement benefits after your disability ends or after the end of the twelfth (12th) month of disability, if your early retirement application is granted retroactive to a date after the seventh (7th) month during which you received benefits under the Plan. You will be required to complete a Subrogation Reimbursement Agreement after receiving six (6) full months of benefits as described below.

In the event you are eligible to receive or you apply for Disability Retirement benefits, Early Retirement benefits or Regular Retirement benefits, you will be required to complete a Subrogation Reimbursement Agreement, after receiving six (6) full months of Income Protection benefits. This Subrogation Reimbursement Agreement will include your legal promise to reimburse the MSEA Income Protection Plan for any benefits received beginning with the seventh (7th) month through the twelfth (12th) month of disability, up to the lesser of the Income Protection benefits received or the retirement benefits to which you become entitled. The Subrogation Reimbursement Agreement also states that you will authorize any third party that is to issue retirement benefits to you at any time in the future, to withhold from your benefits and directly reimburse the MSEA Income Protection Plan any amounts you received from the Plan beginning with the seventh (7th) month through the twelfth (12th) month as described above.

**Yes – Rehired employees:** If you are rehired within 31 days after you retire under the Maine Public Employees Retirement System, you are eligible to continue to participate in the Plan, but you must notify the MSEA Income Protection Plan if there is a decrease in

your rate of earnings upon your rehire. (See "What Happens If My Salary Decreases" below.) If you are rehired more than 31 days after you retire, you will need to file a new application to participate in accordance with the Initial Eligibility rules for the Plan. If, after your rehire, you are absent from work due to total disability as a result of a non-occupational illness or a non-occupational accidental injury, and you are unable to perform the duties of your occupation, the Plan will pay the Monthly Disability Income Benefit for which you are enrolled (but not more than the maximum amount you are entitled to receive based upon your post-rehire rate of earnings) after a fourteen (14) day waiting period. Any benefits payable under the Plan from the beginning of the seventh (7th) month through the twelfth (12th) month of disability will be automatically reduced by the amount of the retirement benefits you are then receiving from the Maine Public Employees Retirement System. **No** – Your Income Protection benefits will not be reduced by any vacation or sick leave monies you receive.

### **WILL FAMILY LEAVE AFFECT MY INCOME PROTECTION BENEFITS?**

**No** – you will still receive Income Protection benefits if you are ill.

### **WILL INCOME PROTECTION BENEFITS BE PAID IF I STAY OUT OF WORK TO TAKE CARE OF ANOTHER PERSON WHO IS ILL?**

**No** – this is insurance on the employee and the employee must be totally disabled – unable to do any or all of the duties of their occupation. You must also be under the care of a licensed medical provider. A second opinion may be requested at the expense of the Plan in an attempt to regulate these claims.

### **IS MATERNITY COVERED?**

**Yes** – maternity is treated the same as if your disability had been caused by sickness. However, Income Protection benefits will be paid for a period of six (6) weeks post-partum less the 14-day waiting period. Benefits may be extended for medical reasons.

### **CAN I RECEIVE BENEFITS FOR MENTAL HEALTH, NERVOUS, AND STRESS CONDITIONS?**

**Yes** – however, the disability due to any of these conditions must be certified by a licensed mental health professional, and disability claims must show that the participant is receiving active treatment.

### **WHAT HAPPENS IF I HAVE A WORK-RELATED SICKNESS OR INJURY?**

The MSEA Income Protection Plan does not provide benefits for work-related sickness or injury. You must file a Workers' Compensation claim with your employer. If you receive benefits from the Plan while awaiting the disposition of your Workers' Compensation claim, you must repay the Plan if you receive any type of workers' compensation settlement, i.e. wages, reinstatement of lost work time, and payment of medical bills.

If your disability is a work-related sickness or injury, you must complete a Subrogation Reimbursement Agreement which authorizes any responsible third party or their insurer, Workers' Compensation carrier, or the representing attorney to reimburse the MSEA Income Protection Plan directly for any Income Protection benefits that you received while awaiting a decision from Workers' Com-

pensation. Furthermore, this agreement states that you agree to repay any remaining balance over and above any reimbursement from the third party.

### **ARE BENEFITS TAXABLE?**

**No** – according to the Internal Revenue Code in the case of disability coverage, the portion of benefits purchased by the employee is not part of taxable income. If your employer paid your premiums, the Income Protection benefits received would be taxable.

### **WHAT HAPPENS IF MY SALARY INCREASES?**

If you are at the maximum of your salary class and a salary increase makes you eligible for a higher class, you need only submit a new application indicating your new annual salary. The new application must be submitted within 31 days from the date the increase appears in your paycheck. However, if you are below the maximum Income Protection benefit of your salary class, you may submit an application to increase coverage by a maximum of \$200, subject to the Plan maximum. Increases in excess of \$200 are subject to the completion and acceptance of an Evidence of Insurability (EOI) form, which can be obtained from the MSEA Income Protection Plan office.

### **WHAT HAPPENS IF MY SALARY DECREASES?**

You must notify the Plan and submit a new application indicating your new annual salary immediately after the date the decrease is reflected in your paycheck. If you fail to notify the MSEA Income Protection Plan within the time limit and file a claim for benefits, your benefit amount will be reduced to reflect your reduced salary amount and any overpayment of premiums will be refunded to you.

### **CAN I INCREASE MY COVERAGE WITHOUT A SALARY INCREASE IF I AM BELOW MY MAXIMUM BENEFIT COVERAGE?**

You may complete and submit an Evidence of Insurability (EOI) form to request an increase in coverage up to your plan maximum. Your request to increase coverage will be subject to a review of your medical history and approval based upon Group Underwriting guidelines.

### **IF I SELECT LESS THAN THE BENEFIT AMOUNT FOR WHICH MY SALARY QUALIFIES ME, MAY I CHANGE FROM THAT BENEFIT CLASS TO A HIGHER BENEFIT CLASS?**

1. Without a salary increase? **Yes**, providing you submit an Evidence of Insurability (EOI) form and it is accepted by the Group Underwriting Department of Health Plans, Inc.
2. With a salary increase? **Yes**, but the most you can increase your benefit without Evidence of Insurability would be the amount for which you become eligible; but no more than \$200 as a result of your salary increase. Any additional amount would be subject to Evidence of Insurability. **EXAMPLE:** You receive a pay raise and currently have a \$300 benefit but are eligible for a \$700 benefit. You may have \$200 additional benefit with no Evidence of Insurability (to \$500 per month). An increase in coverage to \$600 or \$700 would require satisfactory Evidence of Insurability.

*Revised: 2/8/17*