

What happens to your PSE Benefits if you are on Long Term Disability (LTD)?

July 2022



PSE Benefits while on LTD

PSE continues certain benefits for employees who are approved for Long Term Disability (LTD) for a limited amount of time.

If you are heading in the direction of LTD, the following information will help you know what to expect.

What happens to my benefits if I go to LTD?

- ◆ As an LTD participant, PSE will hold you in an ***inactive employment status*** to maintain you in the payroll system for the purpose of continued benefit premium payments.
- ◆ Your inactive employment status will begin based on the timing of your LTD approval and when PSE is notified.
For example: if PSE is notified by the 15th, it will be the first of the following month; if PSE is notified after the 15th, it will be delayed an additional month to allow for transition time.
- ◆ Your inactive employment status will mean changes to your benefits – some will continue and be paid by PSE, some will be available to continue at your cost, and some will end.
- ◆ You will remain in inactive employment status until you are no longer eligible for subsidized benefits (see next slide).

When will my benefits end if I go to LTD?

- ◆ Inactive employment status and subsidized benefits end on the earliest of the below criteria:
 - ◆ Your LTD claim is closed for any reason
 - ◆ You become eligible for disability-related Medicare, which typically occurs 24 months after your approval date for Social Security Disability Income (SSDI)
 - ◆ You retire, or commence your pension benefits
 - ◆ You reach age 65 and become eligible for Medicare
 - ◆ Max of 3 years if employed with PSE for less than 10 years
- ◆ If you return to work, you will return to active employment status and active benefits.

Over age 65

If you are over age 65 at the time you are approved for LTD, you are no longer eligible for subsidized benefits since you have access to Medicare, and therefore not held in an inactive status. Your employment and benefits end at the time you are approved for LTD.

Benefit Continuations

Inactive employment status

- Subsidized medical & vision
- COBRA
- Life insurance
- Other health & welfare benefits
- Paid Time Off
- Disability & other income sources
- 401k & Retirement
- Post-employment medical coverage



Subsidized Medical & Vision

- ◆ While in inactive employment status, **PSE will pay 100% of employee only medical and basic vision coverage.***
- ◆ This subsidized coverage runs concurrently with your COBRA eligibility, which applies because you are no longer eligible for benefits as an active employee.
- ◆ If you are not enrolled in a PSE medical plan, you will continue to receive opt out flex credits during this time.

*For IBEW-represented employees who cover family members and want to continue their coverage, PSE will pay 50% of the family cost of the Aetna PPO medical plan (you must pay the difference).

COBRA

- ◆ COBRA is your right to continue your current group plan(s) at your cost. COBRA is typically available for up to 18 months, but in this case may go longer.
- ◆ Any coverage beyond the subsidized medical and basic vision paid for by PSE is available for you to continue **at your cost**, including:
 - ◇ Medical and/or basic vision for family members
 - ◇ Dental for yourself and/or family members
 - ◇ Buy-up vision for yourself and/or family members
- ◆ You will receive COBRA enrollment and payment information from our administrator at the time of your transition or shortly after. **You must take action** to make payment or drop any coverage you do not wish to continue.

Basic Life Insurance

- ◆ While in inactive employment status and eligible for subsidized benefits, PSE will also continue to provide Basic Life Insurance of 1x your salary at no cost to you.
- ◆ If/when this coverage ends (see slide 4), you will have 31 days to apply to continue coverage directly with MetLife at your cost. Information on these options will come directly from MetLife at the time your group coverage ends.

Supplemental Life Insurance, if applicable

MetLife waiver team

premiumwaiver@metlife.com
1-800-300-4296

MetLife portability or conversion

1-877-275-6387

- ◆ If you are currently enrolled in Supplemental Life Insurance, your active coverage will end at the time you are approved for LTD and transition to inactive employment status.
- ◆ There are options to continue this coverage, one of which is at no cost to you during disability.
 - ◇ **Waiver of Premium** – A waiver claim is automatically started by MetLife based on your LTD claim info. If you are approved for the waiver, you will be able to continue your coverage **at no cost**. (Note, waiver claims are reviewed against different criteria than LTD; approval is not guaranteed.) **No action is required on your part**. MetLife will contact you following a waiting period with a claim determination or if additional information is needed.
 - ◇ **Portability or Conversion** – You will also receive info from MetLife to continue group coverage (port) or purchase an individual policy (convert) at your cost with no medical underwriting. This serves as a safeguard in the event your waiver is denied or you pass before the waiver approval. You have a limited time to apply for this coverage.

Other health & welfare benefits

- ◆ Other benefits you may have as an active employee will end at your transition to inactive employment status.
 - ◇ **Voluntary AD&D** – no option to continue
 - ◇ **Healthcare FSA** – you may submit claims for expenses incurred during the time you were enrolled; COBRA is available if you want to continue to contribute post-tax dollars
 - ◇ **Dependent Care FSA** –you may submit claims for expenses incurred during the time you were enrolled; no option to continue
 - ◇ **Long Term Care** – coverage is portable; you must contact LTC Solutions at the time your active coverage ends
- ◆ Refer to “Leaving PSE Benefits Checklist” accessible from the HR Home page on PSEWeb for more details, including timing and contact info.

Paid Time Off

- ◆ Any remaining PTO balance will be cashed out at the time you transition to inactive employment status.*
- ◆ If you have any benefit deductions owed, these will be deducted from your PTO payout.

*If you are an IBEW-represented employee and are on a workers' comp claim, your PTO payout will be delayed for 12 months.

Disability Income & Other Sources

- ◆ If your LTD claim is approved, you will receive up to 65% of your monthly income. MetLife will advise you of your LTD benefit payment amount and timing.
 - ◇ Your LTD benefit payment will be reduced by other sources of income, such as Social Security and/or pension benefits.
- ◆ You may be prompted by MetLife to apply for Social Security Disability Income (SSDI).
 - ◇ If you do not apply for SSDI, MetLife will reduce your LTD payment by an estimated amount
 - ◇ SSDI approval extends COBRA eligibility from 18 to 29 months
 - ◇ SSDI approval freezes your earnings record as of your disability date, so the time you are unable to work will not be counted against you in determining your future Social Security retirement and/or survivor benefits

401(k)

- ◆ With your LTD approval, you will be eligible to withdraw your 401(k) account balance.
- ◆ You are not required to begin withdrawing until age 70½ or age 72, depending on your birth year.
- ◆ If you have an outstanding loan against your 401(k) account, you are obligated to continue to make loan payments in the same amount and frequency as was being made through payroll. You may be entitled to modify the loan repayment terms by suspending loan payments while on LTD up to a maximum suspension period of one year.

Retirement

- ◆ If you have a Retirement Plan (pension), you must begin receiving benefits no later than age 65.
 - ◇ If you begin pension benefits while in inactive employment status, you are no longer eligible for subsidized benefits—your inactive employment and PSE-paid benefits will end.
 - ◇ You must notify your LTD claims examiner if you begin benefits.
- ◆ **Reminder:** If you are over age 65 at LTD approval, you are no longer eligible for subsidized benefits and your employment and benefits will end.

Post-employment Medical Coverage

COBRA

1-844-839-3773

yourbenefitsresources.com/pse

WA Health Exchange

wahealthplanfinder.org

Medicare

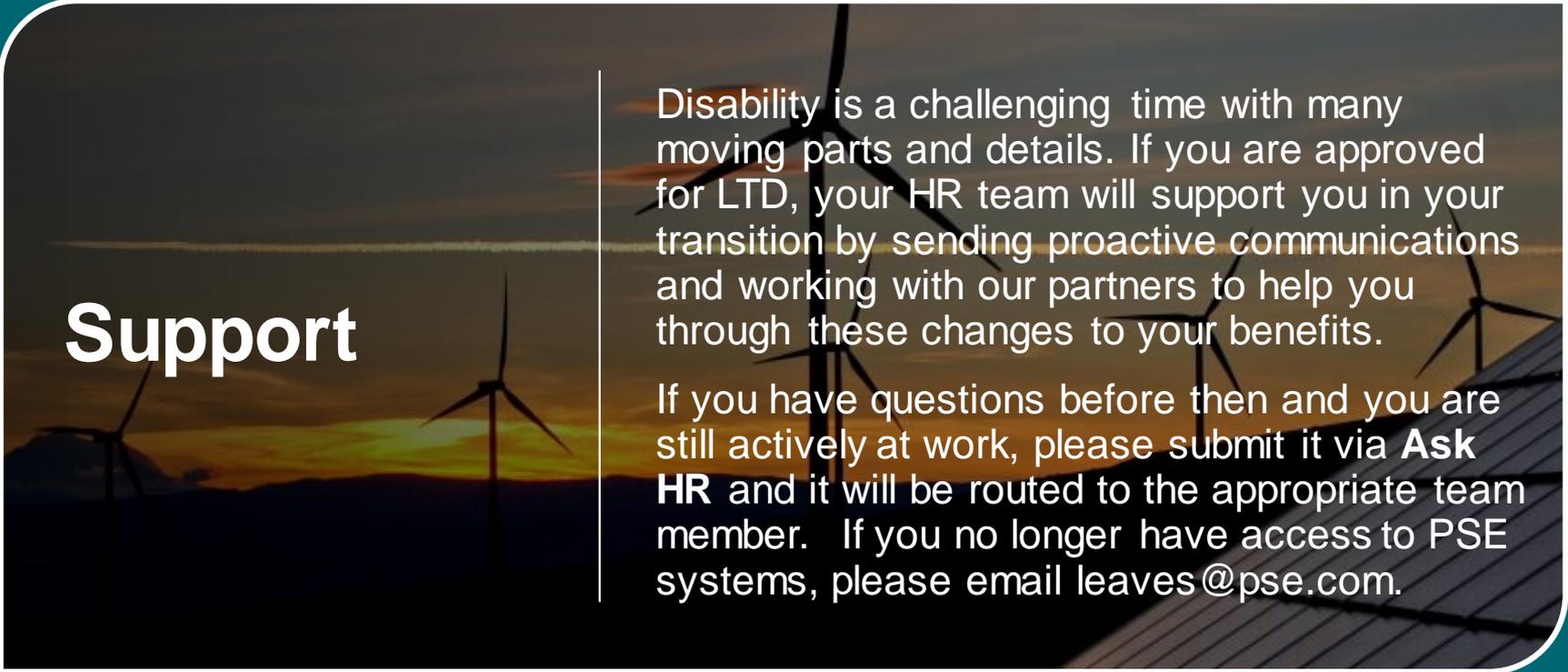
medicare.gov

Via Benefits

1-866-228-2052

marketplace.viabenefits.com/pse

- ◆ At the time your employment ends, from retirement or any reason, you may have access to medical coverage from a number of sources, including:
- ◆ **COBRA** – continuation of your existing PSE plan for a limited time (see slide 8)
- ◆ **WA Health Exchange** – state resource for individual plans under age 65
- ◆ **Medicare** – federal resource for individual plans over age 65
- ◆ **Via Benefits** – PSE resource to assist retirees in shopping across multiple types of retiree coverage



Support

Disability is a challenging time with many moving parts and details. If you are approved for LTD, your HR team will support you in your transition by sending proactive communications and working with our partners to help you through these changes to your benefits.

If you have questions before then and you are still actively at work, please submit it via **Ask HR** and it will be routed to the appropriate team member. If you no longer have access to PSE systems, please email leaves@pse.com.