



Policyholder: GLAHIT - Iowa Wesleyan University

Long-Term Disability (LTD) Coverage

Effective Date: 3/1/2014

This is a summary of your long-term disability coverage from Principal Life Insurance Company. Long-term disability coverage is designed to replace a portion of your income when you are disabled because of injury or illness.

Eligibility: You are eligible if you are an active, full-time employee (except part-time, seasonal, temporary or contract employees) working at least 40 hours per week).

Your Benefits at a Glance

<p>Qualifying as Disabled</p>	<p>You may qualify as disabled during the elimination period and own occupation period if because of sickness, injury or pregnancy, one of the following applies:</p> <ul style="list-style-type: none"> You cannot perform the majority of the substantial and material duties of your own occupation. You are performing the duties of your own occupation on a modified basis and lose at least 20% of the income you earned before becoming disabled. You are performing the duties of any other occupation and lose at least 20% of the income you earned before becoming disabled. <p>After completing the own occupation period, you may qualify as disabled if because of sickness, injury or pregnancy, one of the following applies:</p> <ul style="list-style-type: none"> You cannot perform the majority of the substantial and material duties of any occupation for which you are or may become qualified based on your education, training or experience. You are performing the substantial and material duties of your own or any other occupation on a modified basis and lose at least 20% of the income you earned before becoming disabled. <p>The monthly income you earned before becoming disabled is referred to as predisability earnings.</p>
<p>When Benefits Begin</p>	<p>LTD benefits begin after you have been disabled for 90 days. This is called the elimination period. It can be satisfied with days of total or partial disability.</p> <p>If you recover and return to work during the elimination period and become disabled again, you may not have to satisfy a new elimination period. If you become disabled again, your elimination period will pick up at the point where it was left off when you recovered. You have a period twice as long as the elimination period to satisfy the required number of days of disability.</p>
<p>Benefits if Not Working</p>	<p>When you are unable to work in any capacity during the benefit payment period, your monthly benefit equals your primary monthly benefit, less income from other sources.</p> <p>Your primary monthly benefit is equal to 60% of your earnings before becoming disabled, but will not exceed \$5,000.</p> <p>Your monthly benefit will not be less than the minimum monthly benefit of the greater of 10% of your primary monthly benefit or \$100.</p>
<p>Benefits if Working</p>	<p>If you are able to work while disabled, you may still be eligible to receive a disability benefit.</p> <p>If you are working during the benefit payment period, your monthly benefit for the 12 month work incentive period is the lesser of:</p> <ul style="list-style-type: none"> 100% of the indexed earnings you received before becoming disabled, less income from other sources, less current earnings; or Your primary monthly benefit, less income from other sources. <p>After the work incentive period, your monthly benefit equals your primary monthly benefit, less income from other sources and multiplied by your income loss percentage.</p>
<p>Your Benefit Duration</p>	<p>Your age at the time of disability affects the length of time you are eligible to receive disability benefits.</p>

	<p>If you become disabled before reaching age 62, your disability benefits are payable until the later of:</p> <ul style="list-style-type: none"> • The date you reach age 65; or • 42 months after your benefit payment period begins. <p>If you become disabled at or after age 62, your disability benefits are payable until the date the benefit payment period reaches the number of months shown below.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Age disability occurs</u></th> <th style="text-align: center;"><u>Duration of benefits</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Age 62</td> <td style="text-align: center;">42 months</td> </tr> <tr> <td style="text-align: center;">Age 63</td> <td style="text-align: center;">36 months</td> </tr> <tr> <td style="text-align: center;">Age 64</td> <td style="text-align: center;">30 months</td> </tr> <tr> <td style="text-align: center;">Age 65</td> <td style="text-align: center;">24 months</td> </tr> <tr> <td style="text-align: center;">Age 66</td> <td style="text-align: center;">21 months</td> </tr> <tr> <td style="text-align: center;">Age 67</td> <td style="text-align: center;">18 months</td> </tr> <tr> <td style="text-align: center;">Age 68</td> <td style="text-align: center;">15 months</td> </tr> <tr> <td style="text-align: center;">Age 69 and over</td> <td style="text-align: center;">12 months</td> </tr> </tbody> </table> <p>However, your disability benefits will end when you:</p> <ul style="list-style-type: none"> • Recover • Cease to be under the regular and appropriate care of a physician • Fail to provide any required proof of disability • Fail to submit to a required medical examination • Fail to report income from other sources, or any other required earnings information • Fail to pursue Social Security disability benefits or Workers' Compensation benefits • Die <p>If you recover and return to work for six months or less during the benefit duration and then again become disabled from the same or related cause, you are not required to complete a new elimination period.</p>	<u>Age disability occurs</u>	<u>Duration of benefits</u>	Age 62	42 months	Age 63	36 months	Age 64	30 months	Age 65	24 months	Age 66	21 months	Age 67	18 months	Age 68	15 months	Age 69 and over	12 months
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Rehabilitation Services and Benefits

Rehabilitation Services	<p>While disabled, you may qualify to participate in a rehabilitation plan. Our rehabilitation staff works with you, your physician(s) and your employer to create an individual rehabilitation plan to assist you in returning to work.</p> <p>If you are not disabled, but have a condition that could prevent you from performing the substantial and material duties of your own occupation, preventive rehabilitation services may be offered.</p>
Return to Work Child Care Benefit	<p>This benefit helps you remain on the job or return to work by helping you cover the cost of child care expenses. We will reimburse you for 100% of your child care expenses, up to \$350 per month for up to twelve months. Return to work child care benefits begin after work incentive benefit payments end.</p>
Mandatory Rehabilitation	<p>This provision indicates that, if appropriate, you may be required to participate in an individual rehabilitation plan. Any expenses associated with the rehabilitation plan will be paid for by Principal Life. If you do not comply with the rehabilitation plan without good cause, your disability benefits may cease.</p>

Additional Benefits

Cost of Living Adjustment (COLA)	<p>The cost of living adjustment (COLA) helps protect you from inflation by automatically increasing your disability benefit payments each year on the date your benefit payments began. Your benefit payments will increase by 3% annually for the duration of benefits.</p>
Retirement Plan Supplement Benefit	<p>The retirement plan supplement benefit pays an additional 10% of covered monthly earnings into a pension/retirement plan.</p>
Survivor Benefit	<p>A survivor benefit is a lump sum payment issued to your survivors, should you die while receiving disability benefits. The benefit payment is equal to three times your primary monthly benefit.</p>

Continuation of Coverage for Sabbatical	If you stop working due to a sabbatical, your disability coverage can be continued with payment of premium for up to one year.
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Limitations of Benefits

Limitations	<p>No benefits will be paid for disabilities resulting from:</p> <ul style="list-style-type: none"> • Willful self-injury, while sane or insane • War or an act of war • Participation in an assault or felony • A new or continuing disability that begins after your benefit payment period has ended, but you have not returned to active work
Treatment of Mental Health Conditions and Drug and Alcohol Abuse Conditions	<p>A disability is considered due to alcohol, drug or chemical abuse, dependency or addiction or a mental health condition if the disability is caused by one of these condition(s) and not by other disabling conditions.</p> <p>Maximum benefit payment periods for:</p> <p>Mental health conditions – 24 months</p> <p>Alcohol, drug or chemical abuse conditions – 24 months</p> <p>The benefit payment period listed above is a lifetime maximum for all periods of disability. All disabilities from conditions with the same maximum benefit payment period contribute towards one lifetime maximum.</p> <p>However, if at the end of the benefit duration, you are confined in a hospital or any other type of facility providing treatment for any of these conditions, the benefit payment period may be extended to include the time period you are confined for treatment.</p>
Preexisting Conditions	<p>A preexisting condition is a sickness or injury, including all related conditions and complications, or pregnancy for which you:</p> <ul style="list-style-type: none"> • Received medical treatment, consultation, care or service; or • Were prescribed or took prescription medications <p>in the three months prior to your effective date under this policy.</p> <p>Benefits will not be paid for disabilities resulting from preexisting conditions unless, when you become disabled, you have been actively at work for one full day after completing the earlier of:</p> <ul style="list-style-type: none"> • Three consecutive months of coverage under the policy in which you received no treatment, including prescription medication, for the disabling condition; or • 12 consecutive months of coverage under the policy. <p>Preexisting condition exclusions also apply to benefit increases due to:</p> <ul style="list-style-type: none"> • Policy amendments • Changes in earnings of 25% or greater

Terms you should know:

Income from Other Sources – Income you receive from other sources can be deducted from your primary monthly benefit amount. Other sources include:

- All retirement or disability benefits that you and your dependents receive or could have received, from Social Security or other government agencies
- Workers’ Compensation benefits
- Income from state disability plans
- Payments from policies that provide coverage for time away from work, if paid in part by or deducted from payroll by the policyholder
- Income from other group disability policies
- Disability or retirement benefits, paid by pension plans sponsored by the policyholder
- Income received from no-fault auto laws
- Renewal commissions received from the policyholder
- Severance pay
- All payments for the month that the member receives under state unemployment laws

Other income sources do not include:

- Individual disability coverage
- Profit sharing plans

- Thrift savings plans
- Nonqualified deferred compensation plans
- 401(k) plans
- Individual retirement accounts (IRA)
- Stock ownership plans
- Keogh (HR-10) plans
- Any cost of living increases paid in connection with other sources of income
- Social Security or pension plan payments that were being received prior to the current disability
- Any income the member receives for services rendered prior to the member's date of disability

Modified Basis – You are considered to be working on a modified basis if you are working on either a part-time basis or you are able to perform some, but not all, of the substantial and material duties of an occupation on a full-time basis.

Monthly Payment Limit – The benefits paid to you are reduced if your total income exceeds 100% of your predisability earnings. Total income includes:

- Your normal benefit payable
- Additional benefits payable under your policy
- Return to work earnings
- Other Income Sources defined in the policy
- Sick pay, salary continuation and PTO

Own Occupation – The occupation you are routinely performing when disability begins. Own occupation does not mean the specific tasks or job you are performing for the policyholder or at a specific location.

Own Occupation Period – The period of time you must be unable to perform the duties of your own occupation. Your own occupation period is the first 2 years of the benefit payment period.

Predisability Earnings – The monthly earnings you receive before becoming disabled as defined in the policy.

Primary Monthly Benefit - Your primary monthly benefit is equal to 60% of your earnings before becoming disabled, but will not exceed \$5,000.

Substantial and Material Duties – The essential tasks generally required by employers from those engaged in a particular occupation that cannot be modified or omitted.

This is a summary of disability coverage underwritten by or with administrative services provided by Principal Life Insurance Company. Because this is a summary of your coverage, it does not state all contract provisions, restrictions of coverage, benefits by conditions or limitations, or provisions required by state or federal law. If any provision presented here is found to be in conflict with federal or state law, that provision will be applied to comply with federal or state law. The group policy or contract determines all rights, benefits, exclusions and limitations of the coverage described here. For complete details, refer to your benefit booklet. If there is a discrepancy between this handout and your benefit booklet, the benefit booklet prevails.



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Note: This announcement supplements any materials presented by your employer. It does not state all contract provisions, restrictions of coverage, benefits, conditions, limitations, or provisions required by state or federal law. If any provision presented here is found to be in conflict with state or federal law, that provision will be applied to comply with state or federal law. A more complete description is in the booklet that will be issued to each member. Ask your employer for details.

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