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# Long Term Disability Plan (Non-salaried Employees)

## Summary Plan Description



Southwestern Bell



# Long Term Disability Plan for Non-Salaried Employees

This Long Term Disability Plan (LTD) is designed to protect you and your family from the financial hardship which often accompanies disabling illnesses or injuries that keep you from working for an extended period of time.

The LTD Plan provides important protection by assuring you a continuing source of income in combination with other Company or government-provided benefits. The benefits you receive from the Plan are based on your pay and—once they begin—will continue as long as you remain disabled, up to age 65 if necessary, if you are age 61 or younger when you become disabled. If you are older than 61 when you become disabled, the maximum LTD coverage period is determined in accordance with a schedule found on page 4.

The Plan became effective on August 7, 1977, and is classified under the definitions of the Employee Retirement Income Security Act of 1974 as a "welfare plan" providing benefits during periods of extended disabilities.

This booklet contains a summary of the benefits provided by the LTD Plan. Please read it carefully and share it with your family. We also suggest you keep this booklet handy for ready reference.

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# Long Term Disability Benefits

Although serious disabilities don't happen frequently, they can create severe financial difficulties when they do occur. The Long Term Disability (LTD) Plan helps to alleviate that problem after your Sickness Disability Benefits under the Company's Sickness and Accident Disability Benefit Plan are used up.

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## Eligibility

As a regular or temporary employee, you are eligible for the LTD Plan if:

- you have at least six months of Net Credited Service  
**and**
- you are not covered by any other Company-provided long term disability program other than the Bell System Pension Plan.

If you are on a leave of absence on the date you would otherwise become eligible for this Plan, you will be covered on the date you return to work.

Once you meet the eligibility requirements, there is nothing further you need to do to be covered by this Plan. If you leave the Company for any reason except for a disability for which coverage under this Plan is provided, your eligibility to receive LTD Plan benefits will stop.

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## Cost

The Company pays the *full* cost of your LTD Plan coverage.

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## Plan Benefits

If you become disabled, the LTD Plan—in combination with other sources of disability income—assures that you receive payments equal to 50% of your base pay on the day before your disability begins.

If you are able to find and accept suitable employment and earn a wage, you may still be entitled to LTD benefits for your disability. In this case, your LTD benefit will be limited to an amount which, when added to your wages and other sources of disability income, will not exceed 75% of your base pay.

**Suitable employment** is a job that you are physically able to handle but which pays you less than half the amount you were earning before your disability started.

To be eligible for LTD benefits, you do not have to be confined in a hospital or at home. However, you must be under the care of a legally qualified physician to receive any benefits from this Plan at all.

**Base pay** means your basic pay rate as determined from the Company's payroll records.

**Other sources of disability income** include any Social Security benefits payable directly to *you*, Worker's Compensation or similar disability benefits, any pension you may receive from the Bell System Pension Plan, any state or federal disability benefits except Veterans' benefits.

If you are covered under the Federal Social Security Act, it will be assumed that you are receiving the periodic cash payments you are eligible for under Social Security, unless you submit proof to Connecticut General Life Insurance Company that you applied for Social Security benefits and they are not payable.

An important feature of the LTD Plan is that the Social Security amount used in calculating your Plan benefit includes only the benefits payable to *you*—not your family. And, once your Social Security benefit is determined, it remains the same for purposes of calculating your LTD Plan benefit. This means that if your Social Security payments increase after LTD Plan benefits begin, your LTD benefit will not be reduced.

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## Duration of Benefits

LTD Plan payments begin after you have been disabled for the 52-week period for which benefits are payable under the Sickness and Accident Disability Benefit Plan—i.e., the “waiting period”—and can continue until the earliest of:

- Cessation of disability
- Death
- Expiration of the maximum LTD coverage period in accordance with the following schedule:

<b>Age at Which Disability Commences</b>	<b>Maximum Duration of Benefits*</b>
61 or younger	to age 65
62	3½ years
63	3 years
64	2½ years
65	2 years
66	1¾ years
67	1½ years
68	1¼ years
69	1 year

\*Includes 52 weeks of sickness disability benefits.

Following the 52-week waiting period, you are considered disabled if, due to a non-occupational illness or injury:

- you are unable to engage in any occupation or employment for which you are qualified—or may reasonably become qualified—by training, education or experience

or

- you are unable to work at any job other than one which pays less than half of your base pay at the time you became disabled.

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## Successive Disabilities

If you receive benefits from the LTD Plan and return to work for the Company for *less* than 13 consecutive weeks, you will not have to satisfy another waiting period before benefits resume in case of relapse or other illness. If you return to work for *more* than 13 weeks and again become disabled, LTD Plan benefits will not begin until the end of another waiting period during which Sickness Disability Benefits may be payable.



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## **Exclusions**

The LTD Plan does not cover disabilities caused or contributed to by:

- your commission of a felony
- intentionally self-inflicted injury while sane or insane
- military service
- war or any act of war, declared or undeclared
- active participation in a riot, insurrection, rebellion or civil commotion.

## **Other Facts**

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### **Net Credited Service**

The Company maintains a record of Net Credited Service for every employee. This is the official record of your employment and is used to determine your eligibility for the Long Term Disability Plan. Any period for which you are receiving LTD Plan benefits will not be included in your Net Credited Service.

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### **Plan Administration**

The Southwestern Bell Telephone Company, 1010 Pine Street, St. Louis, Missouri 63101 [(314) 247-9800] administers the Plan on a contract administration basis with the Connecticut General Life Insurance Company, which has the right to grant and deny claims.

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### **Payment of Benefits**

Benefits provided by this Plan are paid from funds made available for this purpose by the Southwestern Bell Telephone Company. Plan benefits are not insured. The Connecticut General Life Insurance Company provides administrative services only.

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## **Union Agreement**

The benefits described in this booklet reflect the provisions of the Long Term Disability Plan as outlined in the 1980 bargaining agreement between the Company and the Communications Workers of America. Copies of this agreement are distributed or made available to those covered by the agreement—and to any other employee who submits a written request for a copy to the Plan Administrator.

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## **Procedure to Obtain Benefits**

The General or Area Employees' Benefit Committee will send you the appropriate forms to make application for benefits under this Plan prior to the end of the period for which benefits are payable under the Sickness and Accident Disability Benefit Plan. You and your doctor should complete the appropriate sections of the forms. All forms should be returned to the insurance company at the address shown on the forms.

Based on medical evidence, the insurance company will determine the extent of your disability. The insurance company reserves the right to have a doctor of its choice examine you.

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## **Denial of Claim**

If LTD Plan benefits are denied, you will receive written notification from the insurance company, including the reasons for the denial with reference to specific provisions on which the denial was based, a description of any additional information needed to perfect the claim and an explanation of the claim review procedure. You may then submit a written request for reconsideration of your case within 60 days after receiving the denial.

Your request, accompanied by documents or records in support of your appeal, should be sent to the insurance company, at the address indicated on the letter of denial. Within 60 days after receipt of your appeal, the insurance company will notify you in writing of its decision, including the specific reasons for the decision with reference to the Plan provisions on which that decision is based.

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## **Non-Alienation of Benefits**

Benefits provided under the LTD Plan may not be assigned or alienated.



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## Legal Service

Process can be served on the Company by directing such legal service to the Assistant Vice President-Personnel and Secretary, General Employees' Benefit Committee, Room 808, 1010 Pine Street, St. Louis, Missouri 63101. Service may also be made upon those persons designated by the Company as its registered agents for service pursuant to the business corporation acts in the various states in which it conducts its operations.

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## Plan Records

The LTD Plan and all of its records are kept on a calendar year basis—beginning January 1 and ending December 31 of each year.

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## Plan Identification Numbers

The LTD Plan is identified by the following numbers under Internal Revenue Service rules:

#43-0529710 —assigned by the IRS.

#517 —assigned by the Company.

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## Plan Continuance

The Company intends to continue the LTD Plan indefinitely but reserves the right to end or amend it, subject to collective bargaining. If the Plan should be terminated or changed, it will not affect your right to any benefit to which you have already become entitled.

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## Plan Documents

This booklet describes only the highlights of your Long Term Disability Plan. It does not attempt to cover all details. These are contained in the official Plan Text and the service contract with the insurance company which legally govern the operation of the Plan. These documents, as well as the annual report of Plan operations and Plan description as filed with the U.S. Department of Labor, are available for review by Plan participants at your Benefit Office during normal working hours within 10 days after you request to review them. Upon written request addressed to the Assistant Vice Presi-

dent-Personnel and Secretary, General Employees' Benefit Committee, Southwestern Bell Telephone Company, 1010 Pine Street, Room 808, St. Louis, Missouri 63101, a copy of these documents will be furnished, at a reasonable charge, to a Plan participant within 30 days.

## **Your Rights As A Plan Participant**

The benefits provided by the Long Term Disability Plan are covered by the Employee Retirement Income Security Act of 1974 (ERISA). ERISA was signed into law for the purpose of protecting your rights under employee benefit plans. The law does not require a company to provide benefits, but ERISA does set standards for any benefits a company wishes to offer—and it requires that you be given an opportunity to learn what these benefits are and your rights to them under the law.

It is your right to know as much as possible about your benefits. This Summary Plan Description is one way to help keep you informed.

As a participant in the Long Term Disability Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be entitled to:

- (i) Examine, without charge, at the Plan Administrator's office and at other specified locations, such as selected worksites, all Plan documents, including the service contract with the insurance company, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions;
- (ii) Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for such copies;



- (iii) Receive a summary of the Plan's financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for a welfare benefit is denied, in whole or in part, you are accorded certain rights of review as set forth in the section of this booklet entitled "Denial of Claim."

Under ERISA, there are steps you can take to enforce your various rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file a suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who will pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your LTD Plan, you should contact your Benefit Office or the Plan Administrator. If you have any questions about this statement of your rights, or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor Management Services Administration, Department of Labor.



