

DISABILITY RETIREMENT

If you become totally and permanently disabled while working for a Participating Employer, you may be eligible to receive a disability retirement benefit. To qualify, you must:

1. Have at least 36 months of Participating Service as of the last day of the month preceding the month in which you receive your first disability payment from the Social Security Administration (the “SSA”);
2. Have received Participating Service in at least 12 of the 24 months immediately preceding the earlier of the month in which you were entitled to receive your first disability payment from the SSA or the month you receive your first disability payment from the SSA;
3. Have not received a disability payment from the SSA in or for the month prior to or concurrent with the month in which you recently became employed by a Participating Employer;
4. Have been determined by SSA to have become entitled to disability payments, with such disability not determined to have commenced on a particular date after you terminated employment;
5. Apply to the Plan for disability retirement benefits. To start this process, ask your employer to complete the “Preliminary Application for Disability Retirement” form; and
6. Have terminated employment with any Participating Employer.

You will not be eligible for a disability benefit, however, if your disability is a result of armed forces service or an act of war, or if it occurred after you terminated employment, while self-employed, during a leave of absence, or during a period in which you’re not making contributions (unless this is because your employer has suspended its participation in the Plan).

If you qualify for Disability Retirement, your benefit will be the greater of:

- Your Accrued Benefit (based on the Benefit Formula) as of the end of the month in which your disability commenced, fully vested and unreduced for age, or
- 25% of your last Wage Base.

Your monthly Disability Retirement benefit will commence on the first day of the month following your satisfaction of all qualification requirements. You may also receive an initial lump sum equal to the payments, if any, that would have been made during the period beginning with the first month for which you are first entitled to an SSA disability payment and ending with the month before your benefit from the Plan begins. Your monthly payments will continue until the earlier of your death or your recovery from disability (if you recover prior to your Normal Retirement Date). You will have to return to the Plan any payments made to you after the earlier of those two events. Thus, you should inform United Benefits Group if you “recover” – that is, if the SSA determines that you are no longer entitled to disability payments. Note that if you recover from disability after your Normal Retirement Date, you will continue to receive your disability benefit for the rest of your life and you cannot apply for an additional retirement benefit.

EXAMPLE 1: Jim becomes disabled after having participated in the Plan for 5 years. He meets all of the qualifications for disability retirement. The SSA determined that Jim’s first SSA disability check will be paid for August, so his first disability retirement check from the Plan will be paid on August 1. Jim’s accrued benefit is \$210 per month, according to the Plan’s benefit formula. Since this amount is less than 25% of his last reported Wage Base of \$2,500/mo.,

Jim's disability benefit will be \$2,500 x 25%, or \$625 per month.

EXAMPLE 2: Same situation as above, only this time let's assume that Jim is a 20-year participant in the Plan whose accrued benefit is \$750 per month. This amount is greater than 25% of his last reported Wage Base of \$2,500/mo., so Jim will receive a disability retirement benefit of \$750 per month.

QUESTION: If I am approved for Disability Retirement, which of the optional forms of payment may I select?

ANSWER: You may select any of the payment options otherwise available to a retiree except the Level Income option.

QUESTION: Is regular retirement ever better than Disability Retirement?

ANSWER: It may be, because there is a lump sum death benefit associated with regular retirement, but not with Disability Retirement. In order to decide which benefit is better, you may ask the Plan for a benefit estimate.