

Benefits Handbook Date November 1, 2017

# Basic Long Term Disability

## Marsh & McLennan Companies



## Basic Long Term Disability

*This Plan provides you with income in case you can't work for an extended period of time because of an injury or illness. Benefits under Marsh & McLennan Companies' Basic and Optional Long Term Disability Plans are based on your "pre-disability earnings" (e.g. annual base salary, excluding overtime, bonuses, commissions and other extra compensation) in effect prior to your date of disability, up to a maximum covered annual base salary of \$520,000. If you are approved to receive the Basic Long Term Disability benefit, the Plan provides you with a monthly benefit of 40% of your pre-disability earnings up to a maximum monthly benefit of \$17,333. The Company provides you with this basic coverage, and you can choose to purchase additional optional coverage under the Optional Long Term Disability Plan and, if you are eligible, under the Long Term Disability Bonus Income Plan.*

### SPD and Plan Document

This section provides a summary of the Basic Long Term Disability Plan (the "Plan") as of January 1, 2017.

This section, together with the *Administrative Information* section and the applicable section about participation, forms the Summary Plan Description and plan document of the Plan.

### A Note about ERISA

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that governs many employer-sponsored plans including this one. Your ERISA rights in connection with this Plan are detailed in the *Administrative Information* section.

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## The Plan at a Glance

Plan Feature	Highlights
<b>How the Plan Works</b>	<ul style="list-style-type: none"> <li>▪ The Plan automatically gives you a benefit that is 40% of your monthly pre-disability earnings (annual base salary, excluding overtime, bonuses, commissions and other extra compensation), up to a monthly maximum benefit of \$17,333. This means that if you have an approved disability, you will receive this amount for the approved duration of your disability less any applicable offsets. Your benefit may be reduced by other disability income benefits (as described in “Other Sources of Disability Benefits” on page 12), and federal tax withholding.</li> <li>▪ See “How the Plan Works” on page 4 for details.</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>▪ If you are an employee of Marsh &amp; McLennan Companies or any subsidiary or affiliate of Marsh &amp; McLennan Companies and you meet the eligibility requirements, you become eligible on your eligibility date.</li> <li>▪ See “Participating in the Plan” on page 2 for details.</li> </ul>
<b>Enrollment</b>	<ul style="list-style-type: none"> <li>▪ You do not need to enroll in Basic Long Term Disability Plan coverage. You are automatically enrolled in the Plan on your eligibility date.</li> <li>▪ See “Participating in the Plan” on page 2 for details.</li> </ul>
<b>Evidence of Insurability</b>	<ul style="list-style-type: none"> <li>▪ You do not need to provide Evidence of Insurability to get coverage in Basic Long Term Disability.</li> </ul>
<b>Cost of Coverage</b>	<ul style="list-style-type: none"> <li>▪ You do not pay anything for your basic long term disability coverage. Marsh &amp; McLennan Companies pays the entire cost.</li> </ul>
<b>Disability Payment Details</b>	<ul style="list-style-type: none"> <li>▪ Your long term disability benefit is based on your pre-disability earnings in effect before you become disabled up to a maximum covered annual base salary of \$520,000.</li> <li>▪ Your payments under the Basic Long Term Disability Plan will begin after 26 weeks of an approved disability. Prior to this time, you may be able to receive benefit payments from: <ul style="list-style-type: none"> <li>– the Short Term Disability Plan</li> <li>– your Company’s sick pay policy.</li> </ul> </li> <li>▪ However, there are exceptions to the normal payment period if: <ul style="list-style-type: none"> <li>– your disability starts on, or after, age 62</li> <li>– the Plan’s Claims Administrator offers a lump-sum settlement.</li> </ul> </li> </ul>

Plan Feature	Highlights
<b>Contact Information</b>	<p><b><i>For more information, contact:</i></b>  The Hartford Life Insurance Company  P.O. Box 14306  Lexington, KY 40512-4306  Phone: +1 866 432 6727  Fax: +1 866 411 5613</p> <p><b><i>For claims appeal, contact:</i></b>  The Hartford Life Insurance Company  Appeals Unit  P.O. Box 14087  Lexington, KY 40512-4087  Fax: +1 855 339 7249</p> <p>Marsh &amp; McLennan Companies does not administer this Plan. The Hartford Life Insurance Company's decisions are final and binding.</p>

## Participating in the Plan

### ***Eligibility***

If you are an employee of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies and you meet the requirements set forth below, you become eligible on your eligibility date.

### ***Eligibility Requirements***

#### ***Marsh & McLennan Companies Employees (other than MMA)***

You are eligible if you are an employee classified on payroll as a US regular employee of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies (other than Marsh & McLennan Agency LLC and any of its subsidiaries (MMA)).

Individuals who are classified on payroll as temporary employees or who are compensated as independent contractors are not eligible to participate.

#### ***MMA Employees***

You are eligible if you are an employee classified on payroll as a US regular employee of Marsh & McLennan Agency LLC – Corporate (MMA-Corporate), Marsh & McLennan Agency LLC – Northeast (MMA-Northeast) or Marsh & McLennan Agency LLC – Alaska (MMA-Alaska).

"You," "Your," and "Employee"

As used throughout this plan summary, "employee", "you" and "your" always mean:

- For Marsh & McLennan Companies participants: a US regular employee of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies (other than MMA).
- For MMA participants: a US regular employee of MMA-Corporate, MMA-Alaska, or MMA-Northeast.

Individuals who are classified on payroll as temporary employees or who are compensated as independent contractors are not eligible to participate.

### ***Your Eligibility Date***

There is no waiting period if you are Actively-At-Work. Your eligibility date is the first day you are Actively-At-Work on or after your date of hire.

### **Enrollment**

You do not need to enroll in Basic Long Term Disability Plan coverage. You are automatically enrolled in the Plan on your eligibility date.

### ***Do I have to provide Evidence of Insurability to get coverage from the Basic Long Term Disability Plan?***

No. You do not need to provide Evidence of Insurability.

### **When Coverage Starts and Ends**

#### ***When does coverage start?***

Your coverage begins on your eligibility date.

#### ***When does eligibility for coverage end?***

Your eligibility for coverage ends:

- the date of your death
- the date the Plan is terminated
- the date you no longer meet the eligibility requirements
- the date you terminate your employment
- the date you commence an unpaid leave of absence.

### ***If You Die***

Your Basic Long Term Disability Plan coverage ends on the date of your death. If you are receiving disability benefits under this plan, your last check will be prorated through the date of your death.

### ***If You Are on an Authorized Unpaid Leave of Absence***

Your Basic Long Term Disability Plan coverage is suspended on the date you begin an unpaid leave of absence authorized by the Company. Coverage will resume on the date you return to active employment as a regular employee.

### ***If You No Longer Satisfy the Plan's Eligibility Requirements***

Your Basic Long Term Disability Plan coverage ends on the date you no longer satisfy the plan's eligibility requirements.

## ***Converting to an Individual Plan***

The Basic Long Term Disability Plan does not offer conversion privileges. You cannot convert this disability plan benefit to an individual policy when you are no longer eligible for coverage.

## Cost of Coverage

### ***Do I have to pay for coverage?***

You do not pay anything for your basic long term disability coverage. Marsh & McLennan Companies pays the entire cost.

## **Taxes**

### ***Do I pay taxes on the long term disability payments I receive?***

Any Basic Long Term Disability Plan benefit you receive is taxable. You may elect to have federal taxes withheld. If you do not make an election, applicable withholding for federal taxes will automatically be made from your benefit. There is no withholding for state or local taxes unless they are mandated by your state of residence.

## How the Plan Works

The Plan automatically gives you a benefit that is 40% of your monthly pre-disability earnings, up to a maximum monthly benefit of \$17,333. This means that if you have an approved disability, you will receive this amount for the approved duration of your disability. Your benefit may be reduced by other disability income benefits (as described in “Other Sources of Disability Benefits” on page 12), federal tax withholding and any applicable mandated state tax.

## Disability Explanation

### ***What is the Plan’s definition of disability?***

To be considered disabled, you must be “totally” disabled. During **the first 30 months of an approved disability** (including the first 26 weeks (six months) under the Short Term Disability Plan), you are considered totally disabled if you are unable to continuously perform the substantial and material duties of *your* present occupation (sometimes referred to as “your own occupation”) because of an illness or injury, as long as you are not engaged in any other occupation or employment. Medical certification of disability is required, and you must be under the regular care of a licensed physician who is qualified to treat your condition.

The Plan’s definition of total disability changes **after 30 continuous months of disability** payments (including the first 26 weeks (six months) under the Short Term Disability Plan). After this period, you are considered totally disabled and eligible for benefits if you are continuously unable to engage in duties of *any* substantial gainful employment for which you are reasonably qualified by education, training or experience (sometimes referred to as “any occupation”). You must be under the regular care of a licensed physician who is qualified to treat your condition.

You or your doctor may be asked periodically to provide proof of your continuing disability.

## Pregnancy

### ***Will I receive Basic Long Term Disability Plan benefits if I am pregnant?***

You may be eligible for benefits from the Basic Long Term Disability Plan if your pregnancy, childbirth or any complications prevent you from performing your job for more than 26 weeks (six months). As with any disability, you must satisfy the requirements of an eligible disability, and your disability must be approved by the Claims Administrator.

## Mental Health and Substance Abuse

### ***Mental Health***

#### ***Can I receive benefits from the Basic Long Term Disability Plan if I have a mental health condition?***

You may be eligible for benefits from the Basic Long Term Disability Plan if your mental health condition prevents you from performing your job. As with any disability, you must satisfy the requirements of an eligible disability, and your disability must be approved by the Claims Administrator.

#### ***Are benefits limited for mental health conditions?***

If you become disabled (as determined by the Claims Administrator) on or after January 1, 2006 because of a mental health condition that results from any cause, then, subject to all other Plan provisions, benefits will be payable:

- only for so long as you are confined in a hospital or other place licensed to provide medical care for the disabling condition; or
- when you are not so confined, a total of 24 months for all such disabilities during your lifetime.

Mental health condition means any psychological, behavioral or emotional disorder or ailment of the mind, including physical manifestations of psychological, behavioral or emotional disorders, but excluding demonstrable, structural brain damage.

The 24-month Long Term Disability benefit limit on non-confined treatment applies to both mental health and substance abuse conditions. The 24-month benefit limit is a combined mental health and substance abuse lifetime limit.



## **Substance Abuse**

### ***Can I receive benefits under the Basic Long Term Disability Plan if I have a substance abuse problem?***

You may be eligible for benefits from the Basic Long Term Disability Plan if your substance abuse problem prevents you from performing your job. As with any disability, you must satisfy the requirements of an eligible disability, and your disability must be approved by the Claims Administrator.

### ***Are benefits limited for substance abuse?***

If you become disabled (as determined by the Claims Administrator) on or after January 1, 2006 because of alcoholism or the non-medical use of narcotics, sedatives, stimulants, hallucinogens, or any other such substance then, subject to all other Plan provisions, benefits will be payable:

- only for so long as you are confined in a hospital or other place licensed to provide medical care for the disabling condition; or
- when you are not so confined, a total of 24 months for all such disabilities during your lifetime.

The 24-month Long Term Disability benefit limit on non-confined treatment applies to both mental health and substance abuse conditions. The 24-month benefit limit is a combined mental health and substance abuse lifetime limit.

## **Exclusions**

### ***Are there any restrictions or exclusions?***

Yes, there are exclusions. Benefits will not be paid for:

- disabilities not treated by a licensed physician who is qualified to treat your condition
- intentionally self-inflicted injuries
- disabilities as a result of declared or undeclared war or act of war
- disabilities as a result of the commission of a felony or attempt to commit a felony, or to which a contributing cause was your being engaged in an illegal occupation.

**Note:** Prior to July 1, 2006, a benefit is paid for disabilities as a result of declared or undeclared war or act of war outside the United States, Canada, Puerto Rico, Bermuda, Barbados, and the Cayman Islands for covered employees assigned on a temporary basis by the Company outside their country of regular employment, but no benefit is paid for disabilities as a result of voluntary participation in a riot.

## Returning to Work

### ***Recurrent Disability***

If you return to work as an active full time employee during the 26 week (six-month) elimination period, you will be able to return as an active full time employee for up to 14 days without interrupting the 26 week (six-month) elimination requirement.

After your elimination period, if you return to work as an active full-time employee and have a recurrent disability that is due to the same cause or related cause up to six months of your return to work, then the period of disability prior to your return to work and the new period of recurrent disability will be considered one period of disability.

If you return to work for six months or more, any recurrence of disability will be treated as a new disability and a new elimination period and maximum duration of benefits will apply.

### ***How does the Plan work if I return to work part-time?***

If you remain disabled after the elimination period, however you return to work while you are disabled, then the benefit calculations are as follows:

For the following 12-month period; multiply your monthly pre-disability earnings by 40%, up to a maximum monthly benefit of \$17,333. Then add your current monthly earnings; if the sum exceeds your monthly pre-disability earnings, then determine the amount of excess by subtracting your monthly pre-disability earnings from the sum. This means that your monthly benefit and your current monthly earnings may provide an amount up to 100% of your pre-disability earnings.

For example, assume your monthly pre-disability earnings was \$6,000 (for a monthly benefit of \$2,400 (\$6,000 × 40%)); you return to work part-time and receive monthly earnings in the amount of \$4,000. Add your monthly benefit of \$2,400 to your current monthly earnings of \$4,000, which equals \$6,400. Then subtract your monthly pre-disability earnings of \$6,000 from \$6,400 to determine an excess of \$400. Your monthly benefit would equal 100% your monthly pre-disability earnings of \$6,000.

### ***How are benefits calculated after the 12<sup>th</sup> Monthly Benefit has been paid?***

After you have received a monthly benefit for a 12-month period, and you continue to be disabled and working, the following benefit calculation would apply:

$$\text{Monthly Benefit} = ((A - B) \div A) \times C$$

A = Your monthly pre-disability earnings

B = Your current monthly earnings

C = The monthly benefit payable if you were totally disabled

## Rehabilitation Benefits

### ***Explanation of Rehabilitation Employment***

#### ***What is vocational rehabilitation?***

Vocational rehabilitation is employment or services that prepare you, if disabled, to resume gainful employment. Vocational Rehabilitation Services are provided by the Claims Administrator. These services may include vocational testing or training, work-place modification, prosthesis, or job placement.

#### ***What is rehabilitation employment?***

Rehabilitation employment, which is part of a program of vocational rehabilitation that is approved by the Claims Administrator, is any gainful occupation or employment for wage or profit, provided such rehabilitative employment is performed during a period in which you are unable to fully perform your regular employment with the Company.

### ***Explanation of Rehabilitation Benefits***

#### ***What is a rehabilitation benefit?***

A rehabilitation benefit is an adjusted benefit that is paid if you are on long term disability and begin an approved program of rehabilitative employment to help you eventually return to full-time work.

The rehabilitative employment may or may not be full-time, and it may or may not be in the job you previously held.

#### ***What effect does rehabilitation employment have on my benefit under this plan?***

The Basic Long Term Disability Plan's disability benefits are reduced by rehabilitative employment.

Your Basic Long Term Disability Plan benefit will be reduced by 60% of the gross remuneration you receive from your rehabilitative employment. In no event can the total amount received from rehabilitative employment, and this or any other Company plan, exceed 100% of your pre-disability earnings.

#### ***How do I know if I am eligible for rehabilitation benefits?***

If you are receiving Basic Long Term Disability Plan benefits, you are eligible to participate in the rehabilitation program. The program is designed to meet your specific disability needs, and the Claims Administrator and your physician have to approve your participation in the program.

#### ***Is there a penalty for not participating in the work rehabilitation program?***

There is no penalty if you do not participate in the rehabilitation employment program.

## Disability Payment Details

### ***What is considered pre-disability earnings for determining the amount of my disability benefit?***

Pre-disability earnings for the purpose of this Plan is your annual base salary (excluding overtime, bonuses, commissions, and other extra compensation) in effect prior to your date of disability, up to a maximum of \$520,000 per year, or \$43,333 per month. The maximum monthly benefit payment amount for the Plan is \$17,333 (\$43,333 x 40%).

### ***Maximum Benefit***

The Plan's maximum monthly benefit amount is \$17,333.

## Getting Paid

Your payments under the Basic Long Term Disability Plan will begin after 26 weeks of an approved disability. Prior to this time, you may be able to receive benefit payments from:

- the Short Term Disability Plan
- your Company's sick pay policy.

However, there are exceptions to the normal payment period if:

- your disability starts after age 62
- the Plan's Claims Administrator offers a lump-sum settlement.

The total combined amount received from the Basic Long Term Disability Plan, the Optional Long Term Disability Plan, rehabilitative or other employment, another employer's disability plan and any other income received as a result of your disability cannot be more than 100% of your monthly pre-disability earnings.

### ***How is the benefit payment amount for the Plan calculated?***

The benefit payment amount is calculated by multiplying your monthly pre-disability earnings times 40%. For example, if your monthly pre-disability earnings is \$10,000 (\$120,000 per year), your monthly benefit payment amount would be:  $\$10,000 \times 40\% = \$4,000$  monthly benefit payment.

Your benefit payment may be reduced by other disability income benefits (as described in "Other Sources of Disability Benefits" on page 12) and federal tax withholding.

## ***Benefits Payment Method***

Benefits are paid by the Claims Administrator monthly by the end of the month that benefits are due. Your first long term disability payment will be provided after you have been approved for disability by the Claims Administrator, no earlier than the end of the month that benefits are due. Your benefit will be mailed by check to your home address.

### ***How many checks will I receive?***

You will receive separate checks for the Basic Long Term Disability Plan benefit and the Optional Long Term Disability Plan benefit, if you participate in Optional Long Term Disability. Additionally, you may receive up to one additional check if your eligible pre-disability earnings exceed the IRS Compensation Limit under Section 401(a)(17).

## ***Payment Period***

### ***When do payments end?***

Your payments will end on the first of the following to occur:

- the date you terminate employment
- the date you cease to be disabled (as determined by the Claims Administrator)
- the date you die
- the date you reach age 65 (if your birthday is on the first of the month. Otherwise, payments continue until the end of the month in which you reach age 65.), unless you become disabled on, or after, age 62 (see the “Benefit Schedule Based on Age” on page 11 for details)
- the date you reach the 24-month limit for disabilities that are the result of mental health and/or substance abuse, if you become disabled on or after January 1, 2006
- the date you are no longer under the regular care of a physician or refuse the Claims Administrator’s request to submit to an examination by a physician
- the date your current monthly earnings exceed 80% of your pre-disability earnings.

## ***Payment Period Exceptions***

There are exceptions to the normal payment period if:

- your disability starts on, or after, age 62
- the Plan’s Claims Administrator offers a lump-sum settlement.

### ***Benefit Schedule Based on Age***

#### ***How long are benefits paid if I become disabled on, or after, age 62?***

If you become disabled on, or after, age 62, benefits will be paid according to this schedule (based on your age at the time you became disabled):

- age 62, benefits last for up to 3½ years
- age 63, benefits last for up to 3 years
- age 64, benefits last for up to 2½ years
- age 65, benefits last for up to 2 years
- age 66, benefits last for up to 1¾ years
- age 67, benefits last for up to 1½ years
- age 68, benefits last for up to 1¼ years
- age 69 or older, benefits last for up to 1 year.

### ***Lump-Sum Payments***

#### ***Can I receive a lump-sum benefit in lieu of monthly payments?***

In certain cases, where there is little or no chance of recovery, the Claims Administrator may offer a lump-sum benefit.

If you accept a lump-sum settlement:

- your employment with the Company will be terminated on the date you accept the offer
- your participation in Marsh & McLennan Companies benefit programs ceases on the date you accept the offer. However, you (and your covered family members) would be eligible for COBRA benefit continuation coverage for certain benefits
- you must accept such a settlement under each of the Marsh & McLennan Companies long term disability plans under which you are covered.

### ***Non-assignment of Benefits***

You cannot assign, pledge, borrow against or otherwise promise any benefit payable under the Benefits Program before you receive that benefit. In addition, your interest in the program is not subject to the claims of creditors.

## Other Sources of Disability Benefits

### ***What impact does receiving other disability income benefits have on my basic long term disability plan benefit?***

Your Basic Long Term Disability Plan benefit is reduced by any disability income you receive from other sources (offset income). Note that even if you are receiving disability income or benefits from other sources, you will not be eligible for Long Term Disability benefits unless this Plan's requirements are met.

Offset income may include but is not limited to the following sources of income:

- Social Security disability income
- state disability benefits
- Workers' Compensation, benefits under occupational disease, or similar legislation
- income replacement payments
- another employer's disability income payment
- 60% of a rehabilitative benefit if you return to work part-time.

### ***Other Disability Income***

#### ***Which sources of disability income will offset my Basic Long Term Disability Plan benefit?***

The offset income would include, but not be limited to:

Disability benefit	Impact on long term disability benefits
<b>Social Security</b>	Your disability benefit will be reduced by the amount of benefits you receive from Social Security disability income. If you are eligible for a Social Security disability benefit but do not apply for it, your long term disability benefits will be reduced by the amount of Social Security benefits you would have been paid if you had applied to Social Security. The offset will be reimbursed if you provide proof from Social Security that your request for benefits has been denied at the final level of your application.
<b>State disability benefits</b>	Your benefit will be reduced by the amount of state disability benefits you receive.
<b>Workers' Compensation</b>	Your long term disability benefit will be reduced by the amount of Workers' Compensation benefits you receive.
<b>Retirement benefit</b>	Your benefit will be reduced by any retirement income you receive from the Company's US Retirement Program.

## Offset Example

### How does the offset affect my disability benefit?

This example shows how an offset affects your disability benefit:

Assume your disability plan payment is \$1,500 per month, and you receive \$500 per month from another disability income source. If the other disability income source, like Social Security, is an offset to your benefit, you would receive a long term disability benefit of \$1,000 per month. The \$1,000 long term disability benefit combined with the \$500 Social Security benefit still totals \$1,500 per month.

**Note:** Your Basic Long Term Disability Plan benefit is not reduced (offset income) by private disability insurance plan income payments.

## Subrogation

### ***Is my Basic Long Term Disability Plan benefit subject to subrogation?***

To the maximum extent permitted by law, the Plan is entitled to equitable or other permitted remedies, including a lien or constructive trust, to recover any amounts received as a result of a judgment, settlement or other means of compensation for conditions or injuries which have resulted in the payment of benefits under this plan.

This will include, but is not limited to, damages for pain and suffering and lost income. The Plan is entitled to recover these amounts from you; any covered family member or beneficiary, or any other person holding them, up to the amount of all payments made or payable in the future plus costs of recovery. The Plan has a priority interest in any and all funds recovered in any full or partial recovery, including funds intended to compensate for attorney's fees and other expenses.

As a condition of receiving benefits under this plan, you agree that:

1. You will promptly notify the Claims Administrator of any settlement negotiations, settlement, or judgment in any litigation related to an event or condition for which you have received, or expect to receive, benefits under this plan; and
2. Future benefits, even for an unrelated event or condition, may be reduced by the amount of any judgment or settlement, or similar compensation which the Plan would be entitled to under the rules above but is unable to recover.

## Filing a Claim

After you have been on short term disability for four months and it is anticipated that you may be eligible for long term disability coverage, any additional paperwork needed will be requested directly to your home address.



You must complete all requested documentation to receive Basic Long Term Disability Plan benefits.

***Who decides if I am eligible to receive a disability benefit?***

The Claims Administrator has full discretion and authority to control and manage the operation of this plan, including determining eligibility to receive benefits under the Plan.

***How do I appeal a benefit determination or denied claim?***

There are special rules, procedures and deadlines that apply to appeals of benefit determinations and denied claims, and you have special legal rights under ERISA. Please refer to the *Administrative Information* section for a description of the appeal process.