FCMM Benefit Plan
2020 Employer Guide

Long Term Disability and
Life with Accidental Death & Dismemberment Insurance
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Welcome to the Free Church Ministers' and Missionaries (FCMM) Benefit Employer Guide! Thank you for choosing to adopt the FCMM administered Long Term Disability (LTD) and Life with Accidental Death and Dismemberment (Life/AD&D) benefit for your employees. FCMM provides an affordable benefit to pastors and support staff in participating organizations.

As a participating employer in the FCMM Benefit Plan, you will need to become familiar with the responsibilities associated with this role. This packet is intended to offer guidance to you for administering the benefits accurately and efficiently. Please know, FCMM understands that you have many other duties outside of coordinating the benefit plan for the employees of your organization and we are here to help you along the way. As questions arise about FCMM and its processes, please reference this packet first. If you have specific questions that are not addressed in the resources provided, please contact FCMM for further assistance.
GROUP LONG TERM DISABILITY PLAN HIGHLIGHTS

Employee Disability Insurance
- Pays 60% of your monthly earnings to a maximum monthly benefit of $8,500
- 90 Day Elimination Period before disability benefit payments begin
- Maximum Benefit Duration lasts up to your Social Security Normal Retirement Age
- Definition of Disability is based on your inability to perform the duties of your own occupation for the first 3 years of a disability
- Additional disability benefits of up to $1,000/month may be available to you for up to 2 years if you are cognitively disabled or unable to perform two or more Activities of Daily Living (ADLs)
- Employees working at least 25 hours per week may be eligible for the plan

Spouse Long Term Disability Rider
- Pays a benefit if your spouse is cognitively disabled or unable to perform two or more Activities of Daily Living (ADLs)
- Pays a $1,500 monthly benefit after a 60-day elimination period up to 2 year lifetime maximum payment period

Additional Plan Features
- Conversion – you may convert your coverage to an individual policy and take it with you if your employment ends
- Survivor Benefit – if you pass away while receiving a long term disability benefit, Unum will pay your eligible survivor a lump sum benefit equal to 3 months of your gross disability payment
- Rehabilitation and Return to Work Assistance Program – depending on your disability, Unum may create a program tailored to your needs that could assist you in returning to work. This program pays an additional disability benefit of 10% of your gross disability payment to a maximum benefit of $1,000 per month. You may also qualify for child care reimbursement of $250 per child, per month, not to exceed $1,000 per month while participating in this program

GROUP LIFE/AD&D PLAN HIGHLIGHTS

Employee Life and AD&D Insurance
- Employees working at least 25 hours per week may be eligible for the plan
- Benefit Age Reduction:
  - $10,000 under age 70, $6,500 ages 70 – 75, and $5,000 ages 75+
  - $50,000 under age 70, $32,500 ages 70-75, and $25,000 age 75+
- Guarantee Issue coverage – you will not have to answer any medical questions

Additional Plan Features:
- Waiver of Premium - If you become disabled (as defined by your plan) and are no longer able to work, your premium payments will be waived during this period of disability.
- Survivor Support counsel included
- Portability - If you retire, reduce your hours or leave your Employer, you can take this coverage with you according to the terms of the contract.

VALUE ADD SERVICES (Additional Information Available at: fcmmbenefits.org)

Travel Assistance Benefit
Employees and family are covered while traveling (100 or more miles from home), with crisis management, guaranteed hospital admissions, critical care monitoring, emergency medical evacuation, etc.

Employee Assistance Program
Unum’s Life Balance program is there to assist employees with everyday home, personal and family issues. They provide full access to counseling, information, resources for wellness and free will preparation services.

Will Preparation
Unum’s Life Balance program is there to assist employees with everyday home, personal and family issues. They provide full access to counseling, information, resources for wellness and free will preparation services.

**This is not a contract – Please refer to your contract for policy details**
Form 100 - Benefit Enrollment Application
This packet is for newly eligible employees to complete. It includes Enrollment Information, Form 101, Limitations & Exclusions, Form 102, Form 103, and Form 138.

Form 101 - Enrollment Application
This form is included in the Benefit Enrollment Application and is required for enrollment. The employee must indicate the payment method for each benefit, as detailed in the approved Employer Benefit Agreement (Form 120). The employee must sign and date this form within the eligible waiting period, and an authorized employer or church official signer must also complete the Coverage Effective Date and sign this form. If an employee opts out of all benefits through FCMM, the employee must check the appropriate box, sign the form, and submit to their employer for record keeping.

Limitations & Exclusions
This form is included in the Benefit Enrollment Application and is required for enrollment. It has information regarding the limitations and exclusions of the coverage.

Form 102: Beneficiary Designation
This form is included in the Benefit Enrollment Application and is required for enrollment. As required by the insurance carrier, the original, hard copy of this form must be kept on file at FCMM. Both a primary and contingent beneficiary are required, as well as a signature and date. This form can be updated at any time.

Form 103: Salary Worksheet
This form is included in the Benefit Enrollment Application and is required for enrollment. It must detail the employee’s total annual salary, and the employer must complete the required employer section which indicates the employee’s LTD class, Life/AD&D Class, and the Life/AD&D coverage amount. This form also contains premium payment calculations for benefits. Salaries may be updated throughout the year; however, they should be submitted as soon as administratively feasible.

Form 104: Employee Payment Method & Coverage Update
This form is used during the annual open enrollment period when an employer updates the Employer Benefit Agreement (Form 120) by either updating employee classes or employee Life/AD&D coverage amounts. All employees receiving a change to benefits must complete this form. There is an employer section, and the employee must authorize deductions if either benefit is paid through payroll deduction.

Form 138: Coverage Overview
This form is included in the Benefit Enrollment Application. It gives a brief overview of the benefits.

Form 120: Employer Benefit Agreement
This form must be completed by the employer. It can only be updated once a year during the annual open enrollment period. The form details the different employee classes, payment methods by benefit, and Life/AD&D coverage amounts.

Form 121: Employer Guide
This guide is used to inform employers about the different aspects of this benefit. It details how to complete the Employer Benefit Agreement, initiating enrollment for employees, payment methods, and answers frequently asked questions.

Form 150: Employee Welcome Packet
This form is sent to eligible employees once enrollment is complete, and contains helpful benefit information.

Long Term Disability Certificate
This LTD certificate is sent to eligible employees once enrollment is complete, and contains complete benefit details.

Life/AD&D Certificate
This Life/AD&D certificate is sent to eligible employees once enrollment is complete, and contains complete benefit details.

FCMM Benefit Employer Guide (2020)
The Employer Benefit Agreement (Form 120) is a document completed by employers when they are initially adopting FCMM’s benefit plan. This form may only be updated once a year during the open enrollment period, no changes are allowed throughout the year. The agreement will allow the employer to determine eligibility requirements, create classes for both LTD and Life/AD&D, as well as choose the Life/AD&D coverage amounts for employees. The information in this form is also used on the employee’s Benefit Enrollment Application. Please note, all eligible employees must participate in both Long Term Disability and Life with AD&D Insurance.

**How to complete Form 120:**
1. Read the information on the first page for Employer Benefit Agreement details
2. Complete the gray box with the organization information, employer contact, and a signature
3. Determine the "Employee Eligibility Requirements," which must apply to all eligible employees
   a. The "Default" option is all eligible employees working at least 25 hours a week
   b. "Other" eligibility requirements may be submitted to FCMM for approval by providing documentation, such as board meeting notes, an official letter, etc.
4. Determine the "Employee Waiting Period," which must apply to all eligible employees
   a. The "Default" option is all eligible employees’ coverage begins the 1st of the month following their eligible full-time hire date
   b. "Other" waiting period requirements may be submitted to FCMM for approval by providing documentation, such as board meeting notes, an official letter, etc.
5. Determine LTD Insurance employee classes and payment methods for each specific class (see FAQ for class info)
6. Determine Life/AD&D Insurance payment method, which must be the same for all eligible employees, then determine the Life/AD&D coverage amount for each pre-determined class (either $10,000 or $50,000)
   a. If an employer does not want to provide Life/AD&D coverage as a staff benefit to all employees, an employer may add the premium amount to the specific employee’s salary and then deduct the same amount as a payroll deduction. The benefit is then employer paid, and still follows the premium payment method of payroll deduction.
7. Submit Form 120 for initial enrollment, or updated Form 120’s by November 15 for a January 1 effective date

**Employer Benefit Agreement (Form 120) Explained**

- **Determine LTD employee classes and payment methods:** May vary by LTD class.
  - "Default" always checked; contact FCMM if "other" is requested

- **Life/AD&D payment method:** Must be the same for all employees.
  - **EX:** if employer wants Class #1 as a staff benefit and Class #2 as a payroll deduction, the employer will choose Payroll Deduction as the payment method, and increase the salaries of employee’s in Class #1 by the Life/AD&D premium amounts, then deduct as a payroll deduction.

- **Life/AD&D has two pre-determined classes.** For each class, choose the coverage amount.
Enrollment Checklist for Eligible Employees

☑ Determine eligibility based on the terms of your Employer Benefit Agreement (Form 120)
  ▪ Note the Class #, payment methods, and coverage amount for each eligible employee. (You will later record this on Form 103)

☑ Notify employees of their eligibility to participate in the FCMM Benefit Plan
  ▪ Unless otherwise noted on your Employer Benefit Agreement, all employees schedule to work at least 25 hours a week are eligible to participate in the plan and their coverage begins the 1st of the month following their eligible full-time hire date.
  ▪ Inform employees immediately following their eligible full-time hire date.
  ▪ If employees miss the enrollment window and would like benefits, they will need to wait until the annual open enrollment period.

☑ Download the FCMM Benefit Enrollment Application from the FCMM website
  ▪ Always download the enrollment packet from the website (fcmmbenefits.org/documents) to ensure you are using the current version of the forms.

☑ Distribute the FCMM Benefit Enrollment Application to eligible employees
  ▪ Benefit Enrollment Applications must be submitted to FCMM within 30 days of their eligible full-time hire date, unless otherwise noted in the Employer Benefit Agreement (Form 120).
  ▪ Eligible employees must complete all forms found in the Benefit Enrollment Application:
    ➢ Form 101 - Enrollment Application
    ➢ Form 102 - Beneficiary Designation
    ➢ Form 103 - Salary Worksheet
  ▪ If an employee wants to opt out, the employee must complete Form 101 and mark "No, I do not wish to participate...", sign the form, and submit to their employer for record keeping.

☑ Complete the required employer sections
  ▪ Form 101 - Coverage Effective Date & Authorized Signature
  ▪ Form 103 - Employer Section

☑ Review all forms for completion of information and physical signatures

☑ Make copies of all completed forms to keep on file at your location

☑ Send an electronic version of the application within 30 days of hire to FCMM for approval
  ▪ Secure File Exchange - https://fcmmbenefits.leapfile.net/
  ▪ Fax - 952.853.8474

☑ Once approved, mail the original, hard copies to FCMM, as required by the insurance carrier
  ▪ FCMM Benefits & Retirement
    901 East 78th Street Minneapolis, MN 55420

☑ Begin payroll deductions for LTD and Life/AD&D premiums if necessary

☑ Prepare for the next quarterly invoice payment
  ▪ November - 1st quarter invoice mailed (DUE December)
  ▪ February - 2nd quarter invoice mailed (DUE March)
  ▪ May - 3rd quarter invoice mailed (DUE June)
  ▪ August - 4th quarter invoice mailed (DUE September)
# Premiums and Payment Methods

## Premium Payment Calculations for Quarterly Invoice

**Long Term Disability**

\[
\text{Annual Cost} = \text{LTD rate} \times \frac{\text{Total annual salary}}{4}
\]

*If total annual salary exceeds $170,000, use $170,000 as your total annual salary in the calculation*

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Premium Calculation</th>
<th>Quarterly Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000</td>
<td>$3/month x 12 = $36 annual cost / 4 = $9/quarter</td>
<td></td>
</tr>
<tr>
<td>$50,000</td>
<td>$15/month x 12 = $180 annual cost / 4 = $45/quarter</td>
<td></td>
</tr>
</tbody>
</table>

## Premium Payment Calculations for Your Payroll

**Long Term Disability**

\[
\text{Annual Cost} = \text{LTD rate} \times \frac{\text{Total annual salary}}{\text{# of annual pay periods}}
\]

*If total annual salary exceeds $170,000, use $170,000 as your total annual salary in the calculation*

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Premium Calculation</th>
<th>Pay Period Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000</td>
<td>$3/month x 12 = $36 annual cost / __ = ___________</td>
<td></td>
</tr>
<tr>
<td>$50,000</td>
<td>$15/month x 12 = $180 annual cost / __ = ___________</td>
<td></td>
</tr>
</tbody>
</table>

## LTD Payment Methods

- **Staff Benefit [Employer Paid]**
  - Benefit premium is paid by the employer
  - *LTD benefit will be taxable income if member becomes disabled and claim is approved*

- **Payroll Deduction [Employee Paid]**
  - Benefit premium is paid through an after-tax payroll deduction from the employee's paycheck
  - *LTD benefit will not be taxable income if member becomes disabled and claim is approved*

- **LTD Only: Tax-Choice**
  - Employer adds an earning amount equivalent to the LTD premium amount. Amount is then deducted as an after-tax deduction from employee's paycheck. This allows the benefit to be employer paid and not a taxable benefit if member becomes disabled and claim is approved

## Life/AD&D Payment Methods

- **Staff Benefit [Employer Paid]**
  - Benefit premium is paid by the employer
  - *LTD benefit will be taxable income if member becomes disabled and claim is approved*

- **Payroll Deduction [Employee Paid]**
  - Benefit premium is paid through an after-tax payroll deduction from the employee's paycheck
  - *LTD benefit will not be taxable income if member becomes disabled and claim is approved*

- **Life/AD&D Employee Specific Option**
  - If an employer does not want to provide Life/AD&D coverage as a staff benefit to all employees, an employer may add the premium amount to the specific employee’s salary and then deduct the same amount as a payroll deduction. The benefit is then employer paid, and still follows the premium payment method of payroll deduction.
Frequently Asked Questions (FAQ)

Where do I find forms?
All forms are found on our website, www.fcmbenefits.org, under the "Forms & Document" tab in the blue bar at the top of the screen, then click the "LTD & Life/AD&D Insurance Benefit Plan Information" document collection. See page 3 of this document for more form information.

Who is eligible for benefits?
Eligibility is determined on the Employer Benefit Agreement (Form 120). An employee’s eligibility also refers to their eligible class full-time hire date, which is the date in which they become eligible for benefits. Default hours eligibility for employees is those working at least 25 hours a week.

What is an employee’s waiting period for benefits?
The employee waiting period is determined on the Employer Benefit Agreement (Form 120). The default is coverage beginning the 1st of the month following the eligible full-time hire date.

What is an employee class?
For LTD, employee classes are different groupings of employees determined by the employer, and each class can have different payment methods (EX. exempt, non-exempt, administrative staff, pastoral, directors, etc.). For Life/AD&D, the employee classes are pre-determined and the premium payment methods must be the same for all classes; coverage amount may vary by class.

When can I update the Employer Benefit Agreement?
Once annually during the open enrollment period, and it must be submitted by November 15 for a January 1 effective date.

What do I need to complete for enrollment?
Eligible employees need to complete:
- Form 101 - Enrollment Application
- Form 102 - Beneficiary Designation
- Form 103 - Salary Worksheet

What if I miss the window for enrollment?
Employees who miss the window for enrollment will need to wait until the open enrollment period to apply for benefits.

What is open enrollment?
Open enrollment occurs only once a year. This period is for employees who missed enrollment throughout the year, newly eligible employees enrolling, or changes made to the Employer Benefit Agreement. FCMM can accept open enrollment forms between October 15 - December 1 for a January 1 effective date.

Where do I find more benefit information?
Complete benefit information can be found in the LTD or Life/AD&D certificates sent at initial enrollment, and more information can be found on our website under "Forms & Documents" or "Products & Services" tab, then click "Benefit Plan for LTD and Life/AD&D Insurance."

Do I need to update my salary with FCMM?
Yes! Anytime there is a salary update, FCMM needs to be informed because the salary amount affects the LTD potential benefit amount. Complete Form 103: Salary Worksheet and submit to FCMM as soon as administratively feasible. FCMM will apply the change of premiums due to salary changes on the next quarterly invoice.

What do I do if an employee terminates employment or is no longer eligible?
Inform FCMM by email immediately with the employee’s last date of eligible employment. FCMM will issue any premium refunds if necessary.

NOTE: Active employment means work for earnings which are paid regularly where the employee is performing the material and substantial duties of their regular occupation. Severance pay is NOT active employment, and employees cannot continue to be covered.

When are LTD and Life/AD&D premiums paid?
Benefit premiums are paid to FCMM by the employer on a quarterly basis prior to the quarter beginning.

What are the premium prices for LTD and Life/AD&D?
See page 6 of this document.

What are the different premium payment methods?
See page 6 of this document.

How do I update my email address, phone number, or mailing address?
Call FCMM's Client Services to verify your identity and update your contact information, or your employer contact can update this information.

What do I do when I have a marital status and/or name change?
Provide FCMM with the proper documentation:
- Verification of Marital Status Update (copy of marriage certificate or copy of divorce decree)
- Verification of Name Change (copy of drivers license, social security card, or passport)
- Updated Form 102: Beneficiary Designation
- Updated contact information (if necessary)

How do I file a claim?
If you need to file a claim, please contact FCMM Client Services and we will connect you with our insurance agent to begin working through the claim.

How can I inquire about FCMM’s payroll service?
Check out our website and click the Products & Services tab for more information, or email benefits@fcmbenefits.org to request a quote for our payroll service. FCMM’s payroll service includes LTD premiums.

FCMM Benefit Employer Guide (2020)
Where to send documents?

Address
FCMM Benefits & Retirement
901 East 78th Street
Minneapolis, Minnesota 55420

Secure File Upload
https://fcmmbenefits.leapfile.net/

Fax
(952) 853-8474

Questions?

Email
benefits@fcmmbenefits.org

Phone
(800) 995-5357

Website
www.fcmmbenefits.org

FCMM Client Services
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Manager - HR Benefits & Client Services
valessa.caspers@fcmmbenefits.org

Shawna Larsen
Retirement & Benefits Representative
shawna.larsen@fcmmbenefits.org