

YOUR COSTS

The Company pays the full cost to provide you with LTD coverage of 50% of your **eligible base pay**.

You pay for the additional 10% LTD buy-up through payroll deductions on a **pre-tax** basis. Your cost for LTD buy-up appears on your pay statement. The cost to you is based on your age as of December 31st of the prior Plan Year and your frozen **eligible base pay** as of September 10th of the Plan Year prior to the year of coverage (see “How Premium Costs Are Determined”) unless you are newly eligible after September 10th of the prior Plan Year, in which case, the frozen **eligible base pay** will be as of the qualifying event date.

Your monthly premium rate will be based on the following rates:

Age	Rate per \$100 of Frozen Eligible Base Pay
< 25	\$0.04
25 – 29	0.05
30 – 34	0.06
35 – 39	0.09
40 – 44	0.13
45 – 49	0.20
50 – 54	0.33
55 – 59	0.43
60+	0.32

How Premium Costs Are Determined

The cost for the additional LTD buy-up is determined as follows:

- If you are newly eligible, your cost for the additional LTD buy-up is based on your **eligible base pay** on the day you become eligible (see “Who Is Eligible”) and your age as of December 31st of the prior Plan Year.
- If you enroll during **annual enrollment**, your cost is based on your frozen **eligible base pay** as of September 10th of the Plan Year prior to the year of coverage and your age as of December 31st of the prior Plan Year.
- If a change is made during the year due to return from a leave of absence in a different plan year, change from full-time to part-time (or visa versa), or change

from salaried to represented, your cost will be calculated or recalculated using your frozen **eligible base pay** as of the event date.

An Example: How Premium Costs Are Calculated

Suppose you are age 35 as of December 31st of the prior Plan Year and your **eligible base pay** is \$30,000 as of September 10th of the prior Plan Year. The monthly rate for a person age 35 is \$0.09. The monthly premium equals \$2.25 ($\$30,000 \times \$0.09 / 100 / 12$).

Your monthly LTD payout will be \$1,500 ($60\% \times \$30,000 / 12$).

How a Pay Change or Age Change Affects Cost

If you elect additional LTD buy-up, the cost for that coverage is based on your age and your **eligible base pay** at fixed points in time (see "How Premium Costs Are Determined" above). Your cost will remain the same for the rest of that year if your **eligible base pay** or age changes during the year.