

Group disability

Everything you need to know about group disability claims

Get answers to frequently asked questions about the short- and long-term disability claim process.



Filing disability claims

How can claims be filed?

There are five ways:

- **Online:** Access the claim form in the forms library on principal.com to print or complete and submit electronically.
- **Email:** Send completed claim form to SBDClaims@principal.com.
- **Fax:** Send completed claim form to 800-255-6609.
- **Mail:**
Principal Life Insurance Company
Attn: Group Life & Disability Claims Department
711 High St.
Des Moines, IA 50392-0002
- **Phone:** Claim submission by phone is available by request for employers with 300+ employees

Questions?

Contact the claim service team between 7 a.m.-5 p.m. Central time, or you can leave a message 24/7.
Phone: 800-245-1522

When should a short-term disability (STD) or long-term disability (LTD) claim be filed?

- For STD, when the employee knows they'll be off work longer than the elimination period, they should start the filing process, but no more than 30 days prior to the date of disability. There's no deadline for filing a STD claim.
- For employees who have LTD coverage only, we recommend the LTD claim be filed no later than halfway through the LTD elimination period. There's no deadline for filing a LTD claim, but benefits won't be paid retroactively more than 6 months before the claim is received.

Once a claim is filed, a claim analyst is assigned and will be your point of contact for any claim questions you have. They'll reach out to the you, the employee, and medical providers for any additional information that's needed.

What's needed on the claim form?

There are four sections to the claim form that must be completed.

1. Employer statement
2. Employee statement
3. Attending Physician's statement
4. HIPAA Authorization
 - a. E-Consent (optional)

Once the claim is submitted, will more information be needed from the employer?

Yes, occasionally we'll request more information. If the employee completes the online claim form or a telephonic claim, we'll contact you for the Employer Statement information.

- If the disability benefits are based on Form W-2 earnings, you'll need to provide copies of the Form W-2s. For those employed less than a calendar year, we'll need gross earnings from date of hire through the last day worked.
- If the claim filed is for an owner, make sure to specify this on the Employer statement. We'll be in contact to gather more specific information.
- For customers who are self-accounting with contributory coverage, we request a copy of the employee's enrollment form. This helps us verify that an employee enrolled for coverage timely and what coverages they elected.

What if a claim is filed right after coverage begins?

If the employee has had coverage for less than 3 months at the time of disability, we may request additional documentation showing the employee was actively working at the time they were eligible for coverage. Additional documentation could include, but is not limited to:

- o Emails
- o Purchase orders
- o Driving logs
- o Signed and dated work documents
- o Other documents may vary dependent on an employee's job/occupation

Are benefits guaranteed once a disability claim is filed?

To be eligible for benefits, an employee must meet all qualifications in the policy. Medical information submitted must support the definition of disability and isn't based simply on a physician's opinion. We may request additional documentation to support the employee's eligibility such as a medical records, hospital records, or a physician statement. Each claim is reviewed to be sure that the policy requirements are met for a benefit payment.

How are pregnancy claims handled?

Pregnancy claims are paid in a lump sum after delivery. Typical recovery time from the date of a natural delivery is 6 weeks and 8 weeks for a c-section. Payment begins after the applicable elimination period and pays through the remainder of the approved timeframe.

For example, for plans with an 8-day elimination period, the total payment would be for either 5 or 7 weeks after the elimination period.

Are these common conditions considered elective?

- **Organ donation.** If someone is donating an organ to a transplant patient, it's not considered an elective procedure.
- **Weight loss surgery.** We'll review the medical information and reach out to the physician to determine if it's medically necessary or elective. In most cases it's considered medically necessary.
- **Breast augmentation after cancer.** We do not consider this elective after cancer treatment.

- **Gender reassignment.** We'll review the medical information and reach out to the physician to determine if it's medically necessary or elective. If the physician indicates that it's medically necessary and it's covered by their medical insurance, then it's not considered elective.

What's the expected timeline for a claim decision?

We'll reach out to the employee once we've received the initial claim information.

- For STD, our goal is to make the claim decision within 10 days after we receive the claim.
- For LTD, our goal is to make the claim decision within 45 days from the receipt of the claim or by the completion of the elimination period, whichever is later.

If we need more information after the claim is submitted, that can affect the timing for the decision, but we make all decisions as soon as we possibly can. Quick responses help keep the claim process moving.

How often are benefit payments issued?

- STD benefits are issued on a weekly basis.
 - For routine maternities and some routine surgeries, we offer a lump sum payout for the approved duration period.
- LTD benefits are issued on a monthly basis.
 - The employee can choose to receive their benefit by check or Electronic Funds Transfer (EFT).

If the employee has both STD and LTD coverage with Principal, is a second claim form needed for LTD?

- No, a separate claim form isn't needed. Prior to their STD ending, we'll request some paperwork from your employee to complete the transition from STD to LTD if they aren't able to return to work.
- If we're reviewing for LTD and your employee also has life coverage with us, we'll automatically review to see if they're eligible for Life Coverage During Disability (LCDD), which is a waiver of life insurance premiums.

Impacts on disability benefits

Can an employer pay the difference between the employee's salary and the disability benefit?

It depends on whether the type of pay is included in the definition of "Other Income Sources" in the policy. See your policy for a full listing of all Other Income Sources.

Our policy supports reduction of the disability benefit by Other Income Sources after completing the elimination period. This means the employee's benefit is reduced by the amount of any Other Income Sources they're eligible to receive such as:

◦ **Social Security—employee and family**
◦ **Paid family and medical leave**

◦ **Worker's compensation**
◦ **State disability benefits**

◦ **Sick pay and PTO**
◦ **Salary continuance**

If the pay is included in the definition of "Other Income Sources" in the policy, it means that you can't pay the difference between their salary and their benefit.

If the pay isn't included in the definition of "Other Income Sources" in the policy, the employer can supplement the claimant's income up to 100% of their pre-disability earnings.

How are taxes handled when disability benefits are taxable?

- **Insured business.** FICA taxes are withheld for 6 months from the last day worked. We don't withhold state or federal taxes, but we can at the claimant's request.
- **Self-funded business.** FICA, federal and applicable state taxes are withheld.

Do premiums need to be continued during STD or LTD?

- STD premiums are not waived, so premiums should be continued while the employee is receiving STD benefits unless employment is terminated or LTD benefits are approved.
- LTD premiums are waived when the LTD claim is approved, based on the date LTD benefits start.

If an employee stops working for a disability or any other reason, does Principal need to be notified?

When an employee stops working for any reason, it's important to review the Individual Termination and Continuation sections of the STD, LTD or life insurance policy you have with us. This will let you know how long premiums can be continued for the employee's benefits. For life coverage, determine if you're responsible for offering the employee the right to convert their group policy to an individual policy when appropriate.

If the employee is over their Social Security Normal Retirement Age (SSNRA) at the time they are disabled, are they still eligible for benefits?

- There's no age limit for STD benefits.
- For LTD, the employee would still be eligible for benefits according to the Benefit Payment Period provisions in the LTD policy.

What happens to ongoing benefits if an employee is terminated or coverage is terminated with Principal?

For insured business, eligibility is based on the date of disability. As long as the employee's coverage was effective on the date of disability, employment status or group coverage ending doesn't affect ongoing benefits.

Principal claim resources

How can claim status and STD payment information be accessed?

Employers can access claim reports on the employer eService Portal at principal.com. Under Claim Info, select Claim Reports, then click "view report" to open the report you wish to view. There you can find the claim status, assigned claim analyst's name and contact information, as well as STD benefit payment information. To set up online access, contact Group Benefits Admin at 800-843-1371.

Employees can access benefit and claim information by logging in to principal.com. For help with setting up an account, employees can call 800-986-3343.

What tax services does the employer have and what tax reports will be sent?

In the employer eService portal, under Resources, select Tax Services. This will show what tax services the employer has elected. Daily disability summary reports are mailed with every payment made—weekly for STD and monthly for LTD, as well as quarterly and year-end reports. Copies of these are also available under Resources (select Tax Reports).

Do you help disabled employees apply for Social Security Disability Income (SSDI) benefits?

We work with a vendor to help our claimants file for SSDI. If we identify a claimant that might meet the eligibility requirements for SSDI, we'll refer them to our vendor immediately. The vendor works directly with the claimant to help with the SSDI claim filing, explain the benefits of Social Security and the process, including Medicare coverage, cost of living increases and other benefits. Even if your employee receives a Social Security denial, our vendor will continue to work on the appeal process with them.

Returning to work

What information does Principal need when the employee returns to work?

We ask that we be notified as soon as possible once an employee returns to work to avoid overpayment. Reach out to the claim analyst handling the claim or call us at 800-245-1522. We'll need to know the date they returned to work, whether they returned to work full or part-time and any accommodations being made.

Can the employee work during the elimination period or return to work part-time?

If the definition of disability in the STD or LTD policy allows for residual benefits, then benefits can be paid to employees who return to work on a part-time basis. To calculate the benefit, we need the part-time earnings on a weekly basis for STD and a monthly basis for LTD. An earnings analyst from our financial team will request this information from you and will issue any disability benefits payable once received.

What rehabilitation resources are available?

We have access to qualified rehabilitation professionals through vendor services. Our primary goal is to help employees return to work, which we consider a return to health. We always want focus first on helping an employee return to their regular occupation with their employer. If this isn't possible, we work with the employee to help them discover other options through a full spectrum of vocational services focusing on job preparation.



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This overview of claim procedures is provided for general education purposes. It is not a complete statement of the rights, benefits, limitations, and exclusions of the coverage. If there is a discrepancy, the policy will be the final arbiter of the coverage. Timing goals are not guaranteed. For complete details, refer to the policy.

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