

# New Mexico Judicial Branch

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## Long Term Disability Insurance for Judges & Attorneys FAQs

The New Mexico Judicial Branch District and Metropolitan Judges' Association selected **Northwestern Mutual** as the insurance carrier for long-term disability insurance. The Employee Benefit Broker for long-term disability is **Danine Baca** at **Financial Concepts** in Santa Fe, New Mexico.

Financial Concepts' contact information:

Financial Concepts  
PO Box 5353  
Santa Fe, New Mexico 87502  
(505) 983-9646 or Toll free: (888) 983-9646  
Ms. Danine Baca  
E-mail: [Danine@fincepts.com](mailto:Danine@fincepts.com)  
Monday-Friday 8:00AM – 5:00PM  
Website: [www.fincepts.com](http://www.fincepts.com)

### Frequently Asked Questions:

- 1. Who is eligible for the long-term disability insurance through Financial Concepts?**
  - a. All New Mexico Judicial Branch employed Judges and Attorneys are eligible to enroll in the long-term disability insurance offered through Financial Concepts.
  
- 2. Am I still eligible if I am an Attorney but I do not hold an Attorney job classification?**
  - a. Yes.
  
- 3. If I already have the state of New Mexico disability insurance, why would I want more?**
  - a. The state plan pays a maximum benefit of \$2,000 per month under specific conditions. The Northwestern Mutual plan pays a maximum of \$10,000 per month. The definition of disability under the state plan is “unable to work in **any** capacity”. Northwestern Mutual’s definition is “unable to perform with reasonable continuity the material duties of your own occupation or unable to earn more than 80% of your Indexed Predisability Earnings”.

#### **4. What about social security or other government programs?**

- a. It is often difficult to qualify for Social Security Disability coverage. Even if you do, you will have to wait six months before you can receive benefits. You must also prove to the Social Security Administration (SSA) that your disability prevents you from working in **any** profession, not just as a Judge or Attorney. In addition, the Social Security Administration (SSA) only covers disabilities that are expected to last 12 months or longer and end in death. All such benefits are subject to federal income tax.

#### **5. What qualifies as a disability under the Financial Concepts offered long-term disability insurance?**

- a. You are disabled from your own occupation if, as a result of sickness, injury, or pregnancy, you are unable to perform with reasonable continuity the material duties of your own occupation or unable to earn more than 80% of your indexed predisability earnings.
- b. To be qualified to receive benefits under Northwestern Mutual you must be in the first 120 days after the date you become disabled. The benefits are scheduled to begin (payments start) on the 91<sup>st</sup> day of disability. The 90 days of disability do not need to be consecutive as long as they are met thin the first 120 days of the disability.
- c. You must be unable to perform with reasonable continuity the material and substantial duties normally required in your occupation.
- d. You may be able to work and perform duties in another occupation unrelated to your occupation as a Judge or an Attorney. For example, if you are able to teach you may still be able to receive long-term disability benefits as long as your income does not exceed 80% of your Indexed Predisability Earnings.

#### **6. When can I enroll in long-term disability?**

- a. You may enroll in the long term disability insurance within 60 days of your election or appointment date into a judgeship position, or if an attorney, within 60 days of your hire or rehire date.

#### **7. How do I file a claim for long-term disability?**

- a. You will need to request a disability claim form from the Employee Benefit Broker, Financial Concepts (Ms. Danine Baca) in order to assure that you have the most

current form. The form will need to be completed by your employer, your physician, and yourself.

- b. Judges & Attorneys should work directly with Financial Concepts on any claims.
- c. There is a section on the claim form that your Judicial Entity's HR Professional will need to fill out related to your employment.

**8. What if I don't enroll now during my initial eligibility enrollment period?**

- a. If you do not enroll in long-term disability insurance during your initial eligibility enrollment and choose at a future date and time to enroll, you will be required to go through underwriting and complete an Evidence of Insurability form.

**9. If I enroll when would the program start; when would my benefits be effective?**

- a. The coverage will start on the first day following 30 days of full time continuous employment.
- b. A Judge or Attorney will be eligible for benefits after being employed for two full pay periods, and after paying one month of premiums.

**10. Do I have to enroll in long-term disability insurance?**

- a. No, the program is voluntary.
- b. If you decide at a later time to enroll you will be required to go through medical underwriting.

**11. Who will my long-term disability insurance be with?**

- a. Northwestern Mutual

**12. What will the monthly benefit maximum be?**

- a. The monthly benefit maximum will be 60% of your monthly wages to a maximum of \$10,000.

**13. Is there a waiting period for benefits and if so how long?**

- a. Yes, there is a waiting period or elimination period before benefits are paid.
- b. The waiting period between a disability and payment is 90 days of the first 120 days.
- c. Benefits will begin on the 91<sup>st</sup> day and are paid on a monthly basis.

**14. How do I pay for my long-term disability insurance?**

- a. A third party administrator will automatically pull your premiums from your checking account monthly (at the 1<sup>st</sup> of the month).
- b. All participants are required to pay their premiums via monthly bank draft by NueSynergy. NOTE: The timing of the monthly bank draft and payment date to the carrier is not yet established.

**15.What are my responsibilities?**

- a. You must maintain an email address on file with NueSynergy.
- b. Communicate any address or contact information changes to your HR Professional, Danine Baca, and NueSynergy immediately.
- c. Ensure all premium payments are timely made through automatic withdrawal.
- d. Communicate any bank draft changes timely to NueSynergy and Danine Baca.

**16.If I have questions on the automatic bank draft, who do I contact?**

- a. Call NueSynergy at 855-890-7239, regarding premium and bank drafts.
- b. NueSynergy offers 24/7 real-time web portal access to comprehensive account/plan information including last payment made and next payment due.
- c. All other questions call Danine Baca at Financial Concepts at 505-983-9646 or 983-9587.

**17.After I enroll what information, will I receive?**

- a. After you enroll in long-term disability, you will receive a confirmation letter.
- b. You will also re-receive a confirmation letter and payment instructions following any rate changes.

**18.Do I have to stop working to receive long-term disability?**

- a. You can continue to work as long as you are unable to earn 80% of your Indexed Predisability Earnings.

**19.How much will I be paid while on long-term disability?**

- a. The benefit amount is 60% of your indexed predisability earnings up to a maximum of \$10,000 per month.

**20.How long can I receive long-term disability benefits?**

- a. You can continue to receive long-term disability benefits until your normal retirement age as defined by the Social Security Administration.

**21.What are the premiums?**

- a. The current premium rate is 0.7091% of your monthly earnings.
  
- b. Premiums are paid with after-tax dollars so the benefit will not be taxed.

**22.Are there any fees in addition to premium payments?**

- a. Yes. There is a monthly administration fee.
- b. The monthly administration fee will be \$2.75.

**23.What is the definition of disability?**

- a. The definition of disability under Northwestern Mutual is “...unable to perform with reasonable continuity the Material Duties...OR...unable to earn more than the Any Occupation Income Level (80%)...”

**24.Will I be covered for successive disabilities?**

- a. If you receive benefits for a disability, recover, and become disabled again while you are still covered under the long-term disability insurance plan, then the second disability may be regarded as a continuation of the first (means you may not need to meet the 90-day waiting period again).
- b. However, the second disability will be considered new if you are working full-time for at least six consecutive months. The second disability will also be considered new if it is the result of an entirely unrelated cause and the second disability will be subject to a new elimination period.
- c. Northwestern Mutual makes final decisions regarding a claim.

**25.When will my coverage terminate or become portable?**

- a. Your coverage can become portable should you, for example stop being a Judge and become a teacher. (Portable provides a mechanism to take the insurance with you.) The “material duties” test will be based on your most current occupation. If you are still looking for work and your last job was a Judge, the duties test will look

at that occupation. If you have returned to being a teacher, then those duties will be used.

- b. Coverage terminates on the earliest of:
  - i. The date the last period ends for which you made a premium contribution,
  - ii. The date the Policy terminates (i.e. the employer cancels the policy),
  - iii. The date your employment terminates, and the date you cease to be a Member, however, if you cease to be a Member because you are not working the required minimum number of hours, your insurance will be continued during the following periods, unless it ends on one of the dates shown above (while receiving disability benefits, premiums are waived),
  - iv. While you are receiving from your Employer at least the amount of Predisability Earnings in effect immediately before you ceased to be a Member,
  - v. While you are Disabled before the Beginning Date and while benefits are payable,
  - vi. During a leave of absence if continuation of your insurance under the Policy is required by the state mandated family or medical leave act or law, or
  - vii. During any other leave of absence approved by your Employer in advance and in writing and scheduled to last 30 days.

## **26.What would conversion look like?**

- a. When your insurance under the policy ends, you may have a right to convert your policy by purchasing either Group Long Term Disability conversion insurance or individual disability income insurance. The premiums will likely be higher.
- b. You have the right to convert if:
  - i. Insurance ends because you are promoted out of the class of eligible members, or your employment ends for any reason other than retirement,
  - ii. You have been insured under this program for at least one year on the date insurance ends,
  - iii. You are not disabled on the date insurance ends,
  - iv. You are a citizen of the United States or Canada, and
  - v. You are not eligible for insurance under any employer's LRD insurance program,
  - vi. You are under age 59 years 6 months,
  - vii. Engaged in an occupation at the time insurance ends, which belongs to the Company's 2A or higher individual disability income occupation classes.

(Note: Attorneys and Judges are 5A. So are teachers with bachelors or higher degrees. )

**27.If I am receiving PERA retirement from a previous employment, and am currently working as a Judge, will my previous retirement benefit reduce the amount of my disability payment?**

- a. No, as long as it is clear to Northwestern Mutual that the retirement income was being received prior to the disability.

**28.Does the long-term disability coverage include long-term care?**

- a. No. To keep costs down it was not included.
- b. You can purchase an individual long-term care policy through Financial Concepts.

**29.If I already have an individual disability policy, should I drop it and pick up this group policy instead.**

- a. Not necessarily.
- b. You should contact your trusted financial advisor or financial concepts for a review of your policy and needs. For example, if this policy covers 60%, perhaps your other policy will cover 40%. Some individual policies include long-term care and this policy does not.