

## Retirement Contribution benefit

### AN OPTIONAL BENEFIT TO HELP FILL CRUCIAL COVERAGE GAPS FOR PHYSICIANS AND DENTISTS

Physicians who are disabled and earning less than their pre-disability earnings may be challenged to contribute to their retirement plan. This can negatively impact the income they rely on when disability payments cease.

The MGIS IncomeProtect solution includes specialized group long-term disability (LTD) coverage with an optional Retirement Contribution benefit that can continue all or a portion of the physician's contributions to his or her retirement plan, defined as a qualified defined contribution plan or other plan approved by Sun Life.

The Retirement Contribution benefit replaces up to the lesser of:

- 5% to 15% of pre-disability earnings (percentage is elected by the group); or
- the actual contribution that was deposited monthly into the employer-sponsored plan; or
- \$2,500<sup>1</sup> (higher amounts available).

#### IN ACTION

Prior to becoming disabled, a physician was earning \$30,000 a month and contributing \$3,000 to a defined contribution plan. The group customized the Retirement Contribution benefit to reflect 15% of pre-disability earnings. The amount payable under the retirement benefit for this individual is \$2,500 and reflects the lesser of:

- the retirement percentage (15% of \$30,000 = \$4,500),
- the employee's actual contribution (\$3,000), or
- \$2,500 per month.

The Retirement Contribution benefit is made to either the trustee or the administrator of the pension plan (if able to accept payments). This amount is in addition to the LTD benefit paid to the physician.



**Note:** The IRS has qualified retirement plan requirements that may apply to this benefit. Thus, we advise that employers consult with their plan advisor about any plan qualification tax issues related to plan contributions being made from this benefit and whether the plan must be amended to accept payments under this benefit.

**Additional information about the Retirement Contribution benefit:**

The benefit is paid if an employee is receiving a Partial or Total Disability payment and if the employee is a participant in the employer-sponsored plan so long as the employee has been a participant in the plan for at least 12 months prior to the date that the Total or Partial Disability began; and if the individual becomes disabled after having been a participant in the pension plan for 12 months prior to disability, remains disabled during the elimination period, and is receiving a disability benefit under the disability program.

The benefit will continue until the individual is no longer disabled; fails to provide proof that he or she continues to be totally or Partially Disabled; reaches the end of the maximum duration of disability benefits in the plan; or dies.

**To learn more, call your MGIS Regional Vice President or Sun Life Employee Benefits Representative today.**

**The MGIS Companies, Inc.** is a leading national insurance program manager with deep experience in building and managing specialized programs for medical professionals. We partner exclusively with highly rated carriers and focus on group disability and life, and medical-professional liability insurance for medical groups of all sizes and specialties, including emerging group structures and with unique insurance requirements. MGIS works exclusively through local brokers and benefit advisors.



Founded in 1865, the **Sun Life Financial group of companies** serves millions of customers in 24 countries worldwide. Our insurance companies in the U.S. are leaders in stop-loss and employee benefits, providing our customers with a wide range of disability, life, dental, accident, and critical illness insurance products.

1. Higher amounts may be available as the federal contribution limits change.

**Optional benefits are available at an additional cost.**

Group life and disability insurance policies are underwritten by Sun Life Assurance Company of Canada (Wellesley Hills, MA) in all states, except New York, under Policy Form Series 93P-LH, 07P-LH-PT/07C-LH-PT, 12-STDPort-C-01, 12-GPPort-P-01, 15-GP-01, and 16-DI-C-01. In New York, group life and disability insurance policies are underwritten by Sun Life and Health Insurance Company (U.S.) (Lansing, MI) under Policy Form Series 13-GP-LH-01, 13-ADD-C-01-MGIS, 13-GP-LF-01, 13-LF-C-01-MGIS, 12-GPPort-P-01, 13-LF-Port-C-01, 13-ADDPort-C-01, 15-GP-01, 16-DI-C-01 and 12-STDPort-C-01. The disability policies provide disability income insurance only. They do NOT provide basic hospital, basic medical, or major medical insurance as defined by the New York State Insurance Department.

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This coverage does not constitute comprehensive health insurance (often referred to as "major medical coverage") and does not satisfy the requirement for Minimum Essential Coverage under the Affordable Care Act.

Administration for physician products is provided by Medical Group Insurance Services, Inc. (MGIS), in all states, except as follows: in CA by MGIS Insurance Agency, Inc.; in NY by MGIS Insurance Agency. Product offerings may not be available in all states and may vary depending on state laws and regulations.

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