



LONG TERM DISABILITY PLAN

Group Policyholder: Trustees of Ontario Teachers Insurance Plan
Fiduciaires du Régime d'assurance des
enseignantes et des enseignants de l'Ontario
(hereinafter called OTIP/RAEO)

Group Policy Number L7020-943

Effective: September 1, 2008

Underwritten by: The Manufacturers Life Insurance Company
(hereinafter called Manulife Financial)

Examiner: _____

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TABLE OF BENEFITS

Eligible Classes	All OSSTF OCTU of District 20 - Halton.
Employment Waiting Period	Nil
Enrolment Requirements	100% of the eligible members hired December 1, 1988 and later must participate in this plan.
Member Benefit	67% of monthly earnings.
Reduction to Member Benefit	The member benefit, together with other integrated income sources, cannot exceed 85% of the member's indexed pre-disability take-home pay. The member benefit will be further reduced if it exceeds \$5,000 per month.
Waiting Period	<ol style="list-style-type: none">1. Benefits are payable for each period of disability after a waiting period of 90 calendar days or later expiration of sick leave, at the member's option (the member's only option is the minimum or maximum number of days).2. Where an insured member is released from duties for a period equal to haltime or greater in order to perform services for the local association or federation, the insured member will have the option of reducing the waiting period to 20 working days. OTIP/RAEO must be provided with a list of such members released from duties by September 30 of each school year.
Initial Assessment Period	The waiting period plus the next 24 months of disability.
Cost-of-Living Adjustment / Indexing	On January 1 immediately following the member's initial assessment period and on each January 1 thereafter, the member benefits, including any prior cost-of-living adjustments, will be increased by the lesser of 0% or the actual increase in the All Canada Consumer Price Index for the period from October 1 to September 30 of the prior year as determined by Statistics Canada. If such period is less than 12 months, the maximum adjustment will be 1/12 th of the increase determined above for each full calendar month for which a benefit was paid.

Termination /
Maximum Benefit Period

Long term disability coverage and/or benefits will not continue beyond the earliest of the following dates:

- (a) the end of the month in which the member attains age 65;
- (b) the date the member is first entitled to at least a 70% unreduced service pension from the Ontario Municipal Employees' Retirement System or from any other applicable pension plan;
- (c) the date the member is first entitled to at least a 70% unreduced service pension from the Ontario Municipal Employees' Retirement System, if they have taken a present or commuted value pension from OMERS; or
- (d) the date the member is first entitled to at least a 70% unreduced service pension from the Ontario Municipal Employees' Retirement System, had early retirement or the disability pension option been waived.

Taxability

Benefits under this long term disability benefit contract are non-taxable.

DEFINITIONS

Actively at Work	<p>means that the member must be fully capable of performing their regular duties, actually working at the Board/Group's place of business or a place where the Board/Group's business requires the member to work, or is on an approved vacation, including scheduled school breaks, weekends and statutory holidays.</p> <p>If the member is on an approved leave of absence other than for disability, and premiums are being paid, the member shall be deemed to be actively at work for the purposes of this Policy.</p>
Administrator	means OTIP/RAEO.
Benefit	means any amount which becomes payable under this contract.
Benefit Period	<p>means:</p> <ol style="list-style-type: none">1. the period of time after the waiting period during which the member is continuously disabled; plus2. if the disability is not continuous, any period of time during which the disability is a recurrence as defined under the long term disability provisions.
Board	means District #20 - Halton District School Board.
Disability/Disabled	<p>means that during the initial assessment period, the member is disabled if, because of illness or injury, the member is unable to perform the significant duties pertaining to the member's specific assignment.</p> <p>means that after the initial assessment period, the member is disabled if, because of illness or injury, the member is unable to be gainfully employed.</p>
Disability Period	<p>means:</p> <ol style="list-style-type: none">1. the waiting period; plus2. the benefit period.
Evidence of Insurability	means all statements of medical evidence of the member's health as required by Manulife Financial or the Administrator, affecting such person's acceptability for insurance. All evidence of insurability must be submitted on forms approved by the Administrator for that purpose.

Gainful Employment	<p>means work:</p> <ol style="list-style-type: none"> 1. the member is medically able to perform; 2. for which the member has at least the minimum qualifications; 3. that provides income of at least 60% of the member's inflation indexed pre-disability earnings; and 4. that exists either in the province or territory where the member worked when the disability started or where the member currently lives. <p>The availability of work alone will not be considered in assessing disability.</p>
Group	means the association, federation or union that represents the members of the eligible classes or their employer.
Insurable Member	means an individual who is on a permanent, non-seasonal basis for at least 15 hours per week.
Leave of Absence	means an approved formal leave of absence, which includes sabbatical, educational, secondment, maternity, parental and general, leaves of absence.
Mandatory Plan	means the member is required to participate in the plan and is deemed to have applied for coverage as a condition of employment.
Member	<p>means an individual who:</p> <ol style="list-style-type: none"> 1. is employed by the Board/Group; 2. is an insurable member; 3. belongs to an eligible class, as listed in the Table of Benefits; 4. satisfies the eligibility conditions, as outlined in the Insuring Provisions; and 5. satisfies the effective date of insurance provisions, as detailed in the Insuring Provisions.
Non-mandatory Plan	means that participation in the plan is voluntary and that the member must make application within 31 days of eligibility prior to being able to participate in the coverage.
Policy Anniversary Date	means March 1, 2001 and each subsequent March 1 thereafter.
Policyholder	means the Trustees of OTIP/RAEO.
Pre-disability Earnings	means the member's earnings as of the commencement of the benefit period, excluding bonus and overtime pay.

Salary	means the member's regular earnings from the Board/Group, excluding bonus and overtime pay, that were in effect on the last day of the waiting period.
Specific Assignment	means the type of duties the member was performing as of the commencement of disability or immediately proceeding the commencement of disability.
Waiting Period	means that period of time that must elapse between the onset of the disability and the date on which Manulife Financial begins paying long term disability benefits to the disabled member.
Working Day	means a day within a work week that is not a public holiday, as established by the Board/Group and where the member is normally required to be in attendance at the Board's/Group's place of business.

INSURING PROVISIONS

Application for Insurance	<p>For non-mandatory plans, coverage approval is automatic, if a long term disability insurance application form is completed and forwarded, within 31 days of member's date of eligibility, to:</p> <ul style="list-style-type: none">(a) the Administrator, for plans administrated by OTIP/RAEO; or(b) the member's Board/Group for self-administrated plans. <p>If the member applies more than 31 days after becoming eligible, the insurance is subject to evidence of insurability and takes effect on the date of written approval by Manulife Financial.</p> <p>Eligible members must apply for insurance on a form, which has been approved by the Administrator.</p>
Eligibility Conditions	<p>Members are eligible immediately if they are insurable members on the effective date of this Policy. Otherwise, they are eligible on the date their employment as insurable members begins.</p>
Effective Date of Insurance	<p>For mandatory plans</p> <p>The effective date of a member's coverage will be the later of the following dates:</p> <ul style="list-style-type: none">(a) the date of the member's employment; and(b) the date the member joins an eligible class. <p>For non-mandatory plans</p> <p>The effective date of a member's coverage will be the later of the following dates:</p> <ul style="list-style-type: none">(a) the date the member becomes eligible for coverage;or(b) the date Manulife Financial approves any required evidence of insurability. <p>Evidence of insurability will be required to be submitted at the member's expense.</p> <p>In any event, if the member is not actively at work on the date coverage is to be effective, it will become effective when the member returns to active work.</p>
Changes in Amounts of Insurance	<p>If the member's coverage changes due to a change in earnings or classification, or as a result of a plan change, coverage will not be adjusted until the first day, on or after the date of the change, on which the member is actively at work and the appropriate contribution is being made.</p>

Exceptions

No change in a member's amount of insurance will take effect during a disability period, except an earnings increase occurring during the waiting period.

All increases in insurance are subject to the actively at work requirement unless they result during the periods specified above.

Termination of a Member's Insurance

A member's coverage will terminate on the earliest of the following dates:

1. the date employment with the Board/Group terminates;
2. the date the member ceases to be a member of any eligible class;
3. the date the member ceases to be an insurable member;
4. the date the member is laid-off by the Board/Group, except for summer lay-offs subject to the Continuation of Coverage During Absence from Work provision;
5. the due date of the first premium for which the required contribution is not made;
6. the date this Policy is terminated;
7. the date the member retires;
8. the end of the month in which the member attains age 65, less the length of the waiting period;

9. the date the member is first entitled to at least a 70% unreduced service pension from the Ontario Municipal Employees' Retirement System or from any other applicable pension plan, less the length of the waiting period;
10. the date the member is first entitled to at least a 70% unreduced service pension from the Ontario Municipal Employees' Retirement System, if they have taken a present or commuted value pension from OMERS;
11. the date the member is first entitled to at least a 70% unreduced service pension from the Ontario Municipal Employees' Retirement System, had early retirement or the disability pension option been waived;
12. the date the member is dismissed, or the date the participating Board/Group is required by law to extend insurance;
13. the date the member ceases to satisfy the actively at work requirement and starts to work in another job more than 20 hours per week, except in a rehabilitation plan or program; or
14. the date the member ceases to satisfy the actively at work requirement, except as set out in the Continuation of Coverage During Absence from Work provision.

Continuation of Coverage
During Absence From Work

A member's coverage will be continued subject to payment of premiums, while the member is absent from work due to:

1. a disabling illness or injury for which the member no longer qualifies for benefits, for 31 calendar days;
2. a non-disabling illness or injury for which the member does not qualify for benefits, for the later of 60 working days after written notice is sent to the member or the end of the waiting period that the member had previously selected in the member's application for benefits. In no event will coverage be extended longer than 60 working days after the end of the waiting period.;
3. a summer lay-off (the Board/Group must have documentation that the member is to return to work the first day of the next school year);
4. a strike, lock-out or work stoppage, up to 6 months after the strike, lock-out or work stoppage starts; or
5. an approved leave of absence, to a maximum of 24 consecutive months, or the number of years negotiated under the collective bargaining agreement. If the member becomes disabled during this time, no benefits are payable for the scheduled duration of the leave.

Reinstatement

A member's insurance will be automatically reinstated if:

1. it terminated because of illness, injury, leave of absence, strike, lock-out, work stoppage or lay-off; and
2. the member returns to work within 60 working days after the insurance terminated, or within any period during which the participating Board/Group is required by law to reinstate the insurance.

In this event, this Policy's pre-existing conditions limitation will continue to apply to the member's reinstated insurance, but only to the extent that the pre-existing conditions limitation had not been satisfied prior to the termination.

If, due to a clerical error by the Board/Group, a member's insurance is terminated because the premiums were not being paid on the member's return to work, insurance will be automatically reinstated, provided:

- (a) the member qualified for automatic reinstatement,
- (b) the error is corrected within 3 months of the first missed premium, and
- (c) all missed premiums are paid.

If a member chose not to make premium contributions required to maintain insurance coverage during a leave of absence, insurance will nevertheless be automatically reinstated upon the member's return to work. Reinstatement under this circumstance is not subject to the Application for Insurance provision but benefits will be subject to this Policy's pre-existing conditions limitation as if the insurance first took effect on the reinstatement date.

If a member's insurance terminated as a result of a dismissal, it shall be automatically reinstated retroactively to the date of termination if a dismissal appeal has resulted in the member being reinstated to the member's position and premiums have been paid retroactively to the date of the termination.

A member who does not qualify for automatic reinstatement will be treated as a new member upon the member's return to work and subject to this Policy's pre-existing conditions limitation.

All other members will be subject to the Application for Insurance provision.

CLAIMS PROVISIONS

Notice of Claim	<p>To permit prompt assessment and early participation in rehabilitation plans or programs, initial notice of claim should be submitted to the Administrator no later than 6 months after disability starts.</p> <p>Except where the failure of the member to file the initial notice of claim within 6 months after disability starts is a direct consequence of the member's disability, Manulife Financial will not be liable for claims for which initial notice is submitted more than 6 months after the earlier of:</p> <ol style="list-style-type: none">1. the end of the waiting period; or2. the date this Policy terminates.
Proof of Claim	<p>Benefits under this Policy will only be payable for periods for which the Administrator has received satisfactory proof that the member is entitled to benefits.</p> <p>The member must provide information required proving entitlement to benefits and must also authorize Manulife Financial and/or the Administrator to obtain information from other sources for this purpose. Whenever Manulife Financial and/or the Administrator request information or authorization, it must be submitted within 6 months. If it is not submitted within this time, Manulife Financial will not be liable for any further benefits.</p>
Notice of Assessment	<p>The Administrator will give the member a written notice of assessment showing:</p> <ol style="list-style-type: none">1. whether or not benefits have been approved;2. whether or not further information is required; and3. if benefits have not been approved, or are terminated, the reason for denial or termination and the procedures the member may follow for appeal.
Notice of Benefit Termination	<p>If benefits are being paid and then terminate, the Administrator must provide 1 month's written notice to the member before benefits terminate.</p>
Arbitration	<p>Where a member, after appeal, disputes a decision of the Administrator to deny or terminate benefits, the Group that represents the member may, with the consent of the member, elect to submit the dispute to binding arbitration in accordance with the arbitration procedure established between Manulife Financial and the Policyholder.</p>

Legal Actions

No legal action to recover benefits under this Policy can be introduced:

1. where a matter in dispute has been appealed and subsequently submitted to binding arbitration; or
2. for 60 calendar days after notice of claim has been submitted; or
3. more than 2 years after a benefit has been denied.

Overpayment

If a member's benefits are overpaid, the member is responsible for repayment within 6 months, or within a longer period agreed to by the Administrator. If the member fails to fulfil this responsibility, further benefits will be withheld until the overpayment is recovered. This does not limit Manulife Financial's right to use other legal means to recover the overpayment.

Subrogation and Right of Recovery

Where permitted by law, Manulife Financial has full rights of subrogation with respect to damages for loss of income when responsibility for a member's disability may be attributable to another party. Manulife Financial also has the right to recover from the member any benefits paid under this Policy for loss of income for which the other party has indemnified the member. However, Manulife Financial has no obligation under this Policy to exercise its rights of recovery and subrogation.

PREMIUM PROVISIONS

Payment	The first premium is due on the effective date of this Policy. After that, premiums are due on the first day of each month. The Board and/or Group must pay premiums to the Administrator for remittance to Manulife Financial's Head Office or as it shall direct. Premiums not paid on time will be in default.
Grace Period	After the first premium has been paid, 45 days of grace are allowed to pay a premium in default. During this time, the Policy will stay in force. If the premium is not paid by the end of the days of grace, this Policy will terminate. The Board/Group is liable for a pro-rata premium for the time this Policy is in force during the grace period and for all other unpaid premiums.
Calculation: Premium: Rate	The amount of each premium is the sum of the premiums for each insured member, calculated at the rate last established by Manulife Financial and the Policyholder.
Waiver of Premium	No premium is payable for a member during a benefit period or, if the member is not actively at work after the benefit period ends.
Premium Payment Not A Guarantee of Coverage	Payment of premium will not cause insurance to take effect or continue if it would not do so according to this Policy's insuring provisions.
Adjustments	The premium will be adjusted retroactively to reflect changes in insurance amounts. Credits will be given only for the 4 months preceding receipt of notice.

Rate Changes

Renewal Changes	Manulife Financial can change the premium rates on the Policy Anniversary Date. Written notice will be sent to the Policyholder 90 days before a change is made. Once a change is made, Manulife Financial cannot make another renewal change for 12 months or such other period as may be agreed to by the Policyholder.
Other Changes	A rate change can be made at any time if: <ol style="list-style-type: none">1. the Policy provisions are changed at the request of the Policyholder;2. the introduction, revision or repeal of a government law or regulation results in a change in:<ol style="list-style-type: none">(a) the benefits payable under this Policy; or(b) taxes payable to a government authority; or3. there is a change in the number of members insured under this Policy which exceeds 25% since the last renewal.

GENERAL PROVISIONS

The Contract	<p>The entire contract consists of this Policy and any amendments to this Policy, as such may be amended from time to time.</p> <p>This contract can be changed only by written agreement between the Policyholder and Manulife Financial.</p>
Termination of the Policy	<p>The Policyholder or the Policyholder at the request of the Board or Group may terminate this Policy at any time by giving 30 days advance written notice to Manulife Financial. Termination by the Policyholder will take effect on the later of:</p> <ol style="list-style-type: none">1. the date of termination stated in the written notice; or2. the date Manulife Financial receives the written notice. <p>If the Board/Group fails to pay the due premium within the grace period, benefits will be suspended for all claims incurred after the expiration of the grace period, and this Policy will terminate at the end of the grace period. However, if the Policyholder makes written request in advance for an earlier termination date, this Policy will terminate on the date requested.</p> <p>Manulife Financial may terminate this Policy on any Policy Anniversary Date provided written notice of intent to terminate has been given to the Policyholder at least 90 days in advance.</p> <p>The Policyholder may terminate this Policy on any premium due date if the number of members covered then totals less than the minimum participation, as shown in the Table of Benefits and written notice of intention to terminate has been given to the Board/Group at least 90 days in advance.</p>
Misstatement of Age	<p>The Administrator may request proof of a member's age at any time. If the age has been misstated, entitlement to insurance and benefits will be determined according to the member's true age.</p>
Employee's Certificate or Booklet	<p>Manulife Financial or the Administrator will provide a certificate or booklet to the Board and/or Group for delivery to each member or access through a Website. This certificate, booklet or Website will state the coverage to which the member is entitled and to whom these benefits are payable. In the event of a conflict between the terms of the certificate or booklet and the terms of this Policy, the terms of this Policy will govern.</p>

Furnishing of Information

The Board, Group, Policyholder or Manulife Financial, as mutually agreed by the Policyholder and Manulife Financial, will keep a record of the covered members containing the essential particulars of coverage. The Policyholder will forward the information periodically required by Manulife Financial in order to administer this Policy and to determine rates. All records of the Board, Group or Policyholder, which bear on the coverage, must be open to the Administrator and/or Manulife Financial for its inspection at any reasonable time.

The Board, Group or Policyholder may correct wrong data given to Manulife Financial. A member's benefit under a coverage will not be made invalid by failure of the Board, Group or Policyholder, due to clerical error, to record or report the member for the coverage.

Access to Records

Upon request, the Board/Group must forward to Manulife Financial and/or the Administrator:

- (a) required information on the eligibility of members;
- (b) member applications;
- (c) details relating to changes in insurance; and
- (d) information required for assessment of claims, including job information.

Manulife Financial and/or the Administrator may inspect the records of the Policyholder or Board or Group relating to members' insurance. Inspections can take place while this Policy is in force and during the first year after it terminates.

The Administrator has the right to have representatives visit a member's work site to obtain information about the member's specific assignment.

All requests, notices, applications and claims must be made to the Administrator in writing.

Manulife Financial will not be liable for the Policyholder's and/or Board's and/or Group's failure to supply required information or records.

Medical and Vocational Assessments

The Administrator has the right to conduct necessary investigations relating to applications or claims, and to obtain independent medical or vocational assessments if required. The Administrator must also be given the opportunity to examine the person for whom an application or claim is made as often as it may reasonably require during the course of an investigation or assessment.

Manulife Financial will not assume the cost of assessment or investigation in connection with a late application. Manulife Financial may assume the cost of other assessments or investigations according to its administrative practices at the time of application or claim.

Conformity to Legislation

If this Policy does not conform to legislation that governs it, it is considered automatically amended to comply with the minimum requirements of the legislation.

Disclosure Provisions

This Policy will be available through the Policyholder for review by members. The Administrator and/or Manulife Financial, at their discretion, may release a copy of this Policy in order to settle claims.

If asked to do so within 2 years after notification of a decision concerning insurance or benefits, the Administrator will disclose to the member the name of each person or organization that provided medical information concerning the member's application or claim.

If a member submits written authorization from a person or organization that provided medical information, the Administrator will disclose the information to the member or, at the Administrator's discretion, to the member's doctor.

Information involving an Independent Medical Examiner will be disclosed only with the approval from and at the discretion of the Administrator.

The Administrator may, without specific authorization, disclose information about a member's claim to another insurer or benefits administrator if:

- (a) the information could be relevant to assessment of the member's entitlement to other disability benefits for the same period of time; and
- (b) the information is given in confidence with the stipulation that it may not be released to another party.

Currency	Any amount payable to or by Manulife Financial under this Policy will be payable in Canadian funds.
Non-Waiver	<p>The failure, at any time, by the Administrator to require from any covered member that the member respect one of the provisions of this Policy, will not affect in any way the Administrator's right to require that the member respect the provision in the future. The determination by the Administrator to waive any provision of this Policy will not be deemed to be a waiver of the Administrator's right to require compliance with such provision in the future.</p> <p>A consent by the Administrator to, or of, any act by the Policyholder or a covered member which requires Manulife Financial's consent will not be deemed to waive or render unnecessary, Manulife Financial's consent to, or of, any subsequent similar act by the Policyholder or the member.</p>
Appeals	A member has the right to appeal a denial of all or part of the insurance or benefits described in this Policy as long as the member does so within 2 years after the denial. An appeal must be in writing and must include the member's reasons for believing the denial to be incorrect.

TRANSFER PROVISIONS

Transfer of Insurance

The following provisions apply when insurance for any class of members under this Policy takes effect during the 31 days after coverage ends for that class under another Group long term disability income insurance policy.

1. Any member who was covered in the terminating class under the previous policy when insurance for that class ended will be insured on the effective date of insurance for that class under this Policy, as long as the member is then an insurable member.
2. Any member whose insurance has not been interrupted will be entitled to benefits under this Policy for a pre-existing condition if:
 - (a) no benefits are payable for that condition under the previous policy because of termination of insurance for the member's class under that policy; but
 - (b) benefits would have been payable under the previous policy if insurance for the terminating class had remained in force.

If benefits would have been payable under the previous policy, then the member shall be deemed to be entitled to benefits under this Policy, subject to Manulife Financial's assessment of total benefit entitlement and the period for which benefits are payable under both policies.

If the member's benefit entitlement assessment would have been less under the previous policy than it would be under Manulife Financial's policy, then Manulife Financial shall pay such lesser benefit amount to the member according to the terms of the previous carrier's policy.

3. No benefits are payable under this Policy for a disability period that is covered as a recurrence under a previous policy.

Replacement of Insurance

The following provisions apply when this Policy is issued to replace insurance under another Manulife Financial policy.

1. Any member who was insured under the previous policy on the day before the effective date of this Policy will be insured under this Policy on its effective date, as long as the member is then an insurable member in an eligible class.

2. A member's period of coverage under the previous policy will be considered in applying any pre-existing conditions limitation under this Policy.
3. Increases in benefits resulting from the replacement are subject to this Policy's active at work requirement.
4. Any basic insurance that would have been subject to underwriting under the previous policy on the day before the effective date of this Policy will continue to apply as if the replaced insurance were still in force.
5. Any transfer of insurance provision applicable to a member under the previous policy on the day before the effective date of this Policy will continue to apply as if the replaced insurance were still in force.

Transfer of Claims

If the Policyholder transfers responsibility for the continuing assessment of existing claims:

1. to Manulife Financial, Manulife Financial has the right, without the claimant's authorization, to obtain claim records from the previous insurer or benefits administrator.
2. from Manulife Financial, Manulife Financial has the right, without the claimant's authorization, to disclose claim information to the party assuming responsibility for existing claims.

BENEFIT PROVISIONS

Assessment Responsibility	The Administrator has full responsibility for the assessment of a member's entitlement to benefits.
Disability	The benefits under this Policy are for disability periods that commence while the member is insured.
During the Initial Assessment Period	<p>During the initial assessment period, as shown in the Table of Benefits, a member is considered disabled if, because of illness or injury, the member is unable to perform the significant duties pertaining to the member's specific assignment.</p> <p>If illness or injury prevents the member from performing a duty, it will also be considered to prevent the member from performing:</p> <ul style="list-style-type: none">(a) other duties that are performed only in order to complete that duty; and(b) other duties that can only be performed after that duty is completed.
After the Initial Assessment Period	After the initial assessment period, a member is considered disabled if illness or injury prevents the member from being gainfully employed.
Notification	The Administrator will notify the member of the change of definition in disability no later than 4 months prior to the end of the initial assessment period.
Waiting Period	<p>The waiting period starts when the member first becomes disabled and lasts, if disability is continuous, for the periods shown in the Table of Benefits.</p> <p>If disability is not continuous, the days the member is disabled will be accumulated to satisfy the waiting period as long as:</p> <ul style="list-style-type: none">1. no interruption is longer than 30 consecutive calendar days; and2. the disability arises from the same illness or injury.
Recurrence	<p>After the waiting period, a disability is considered a recurrence if it arises from the same illness or injury and starts:</p> <ul style="list-style-type: none">1. within 6 months after the previous disability ends; or2. within 24 months after the end of an approved rehabilitation program.
Monthly Earnings	Monthly earnings for benefit calculations and in assessing a member's ability to be gainfully employed are, subject to the actively at work requirement related to the changes in the amounts of insurance, 1/12 th of the member's annual salary in effect on the last day of the waiting period.

First Year Benefits	Benefits payable prior to August 31 following the end of the waiting period will be paid based on the number of working days remaining in the member's work year multiplied by the per diem benefit. Benefits will be paid in equal monthly instalments until the end of August.
Salary Hold Back	Members on a leave with salary hold back program will have their earnings during the years of salary hold back program calculated according to their full salary before the leave starts. During the year of the leave, their earnings, for premium purposes, will be those in effect the year before the leave began.
Part-time Leave	<p>If a member is on an approved part-time leave, the member must elect prior to the leave, to have earnings calculated based on either the reduced work schedule or the full-time work schedule.</p> <p>If disability occurs during the part-time leave of absence, benefit payments will be made based on the reduced work schedule salary. When the leave ends, benefit payments will be based on the level of earnings that the member had elected to insure prior to the commencement of the leave of absence.</p>
Insured Earnings	<p>Insured earnings are the portions of a member's earnings, which, upon application of the benefit formula, yield the member benefit.</p> <p>For members on an approved formal leave of absence or job protection plan, insured earnings are the reduced or full earnings as chosen before the leave or job protection plan began.</p>
Take-home Pay / Net Earnings	<p>Take-home pay or net earnings means the member's gross salary less the member's deductions for:</p> <ol style="list-style-type: none"> 1. Employment Insurance; 2. Canada/Quebec Pension Plan; and 3. federal and provincial income taxes. <p>The deduction for taxes is the amount the Board/Group would be required to withhold from a member's gross salary assuming:</p> <ol style="list-style-type: none"> (a) taxable income equals gross salary less payments made by the member for EI and C/QPP; and (b) taxes equal taxable income multiplied by the applicable tax rates, less personal tax credits. The personal tax credits and tax rates used are those in effect at the end of the waiting period.

Disability Benefits A disabled member is entitled to disability benefits after the waiting period ends and for as long as the benefit period lasts. No disability benefits are payable for the waiting period itself.

True-ups If benefits cease, an adjustment will be made to account for insured earnings actually lost during disability.

Amount Payable The amount payable is the sum of:

1. the member benefit less the reduction, if any, required under the offset and/or all source maximum provisions; and
2. any employment subsidy forming part of the rehabilitation benefits.

All benefits are payable monthly in arrears.

Other Income The income used in the offset and all sources maximum provisions is the income payable for the same period as the member benefit under this Policy.

Except for retirement benefits and Canada/Quebec Pension Plan benefits, all income is considered payable when a member is entitled to it, whether or not it has been awarded or received. If it has not been awarded, Manulife Financial will have the right to estimate it according to the terms of any plans or legislation involved. Canada/Quebec Pension Plan benefits are considered payable when they are actually received or 6 months after the start of the benefit period if application for benefits has not been made within that time. Retirement benefits are considered payable when they are actually received.

If income is payable in a lump sum, the amount used will be the portion payable for loss of income during the benefit period. If the award does not specify the period it represents for loss of income, Manulife Financial will consider this period to be 60 months.

Special Treatment of Taxable Income for Non-taxable Plans Before the amount payable is calculated under a non-taxable plan, income will be reduced by multiplying it, by the ratio of the member's pre-disability take-home pay/net earnings to the member's monthly pre-disability earnings. This does not apply to Canada/Quebec Pension Plan benefits.

Offset Provision

Under this provision, the member's benefit is reduced by the following income:

1. Disability or retirement benefits to which the member is entitled on the member's own behalf under:

- (a) the Canada Pension Plan;
- (b) the Quebec Pension Plan; or
- (c) a plan in another country for which there is a reciprocal agreement with the Canada or Quebec Pension Plan,

except for increases that take effect after the benefit period starts.

2. Benefits under any Workplace, Safety and Insurance Act or similar law, except for:

- (a) Permanent partial disability awards that were payable before a disability period; and
- (b) Benefits related to employment with another employer.

All Source Maximum

The member's benefit shall be further reduced if necessary so that the amount payable together with payments from the following sources will not exceed 85% of the member's net pre-disability take-home pay:

1. Disability or retirement benefits to which the member is entitled on the member's own behalf and on behalf of the member's dependent children under:
 - (a) the Canada Pension Plan;
 - (b) the Quebec Pension Plan; or
 - (c) a plan in another country for which there is a reciprocal agreement with the Canada or Quebec Pension Plan.

Benefits payable directly to another family member are not included.

2. Benefits under any Workplace, Safety and Insurance Act or similar law, except for:
 - (a) Permanent partial disability awards that were payable before a disability period; and
 - (b) Benefits related to employment with another employer.
3. Disability benefits available through legislation to which the member is entitled on the member's own behalf, except for Employment Insurance benefits. Automobile insurance benefits are included under this provision where permitted by law.
4. Disability benefits under another plan of insurance available as a result of the member's affiliation with an association, except for benefits that were payable before a disability period.
5. Pension benefits from the Ontario Municipal Employees' Retirement System.

6. Employment income that is not part of a rehabilitation plan or program, disability benefits or retirement benefits related to any employment except for:
 - (a) disability benefits that are prepayments of life insurance;
 - (b) any amount that is related to employment other than with the Board/Group and that was payable before a disability period;
 - (c) benefits from early retirement incentive plans or sick leave gratuities;
 - (d) retirement benefits unrelated to any employment; or
 - (e) a present or commuted value pension from the OMERS.

Rehabilitation Incentive Provision

Earnings received from a rehabilitation plan or program are not used to reduce a member's benefit unless those earnings, the member's income from this Policy and the income described under the offset and/or all sources maximum provisions would exceed 100% of the member's indexed pre-disability take-home pay.

If it does, the member's benefit is reduced by the amount in excess of 100% of the member's indexed pre-disability take-home pay.

True-ups

If benefits cease, an adjustment will be made to account for insured earnings actually lost during the disability period.

Inflation Protection

The following provisions provide inflation protection.

Recalculation / Indexing

The amount payable will be recalculated for inflation protection each January 1 immediately following the member's initial assessment period as follows:

1. the member benefits will be increased by the cost-of-living adjustment factor;
2. the following amounts will be increased by the consumer price index factor:
 - (a) the all source maximum;
 - (b) the maximum member benefit;
 - (c) the member's pre-disability earnings; and
 - (d) the income limit under the rehabilitation incentive provision.

Cost-of-living Adjustment Factor

If the member has been receiving benefits for at least one year (calculated from the first day of the month coinciding with or next following the date ending the initial assessment period), the member benefit will be increased by the cost-of-living adjustment factor.

If the member has been receiving benefits for less than one year (calculated from the first day of the month coinciding with or next following the date ending the initial assessment period), the member benefit will be increased by $1/12^{\text{th}}$ of the cost-of-living adjustment factor for each full month of disability prior to January 1 (calculated from the first day of the month coinciding with or next following the date ending the initial assessment period).

The cost-of-living adjustment factor will be 0% or, if less, the actual increase in the all item Consumer Price Index for Canada reported for the prior year (during the period October 1 through September 30) as determined by Statistics Canada.

Consumer Price Index Factor

If the member has been receiving benefits for at least one year (calculated from the first day of the month coinciding with or next following the date ending the initial assessment period), the consumer price index factor will be the actual increase in the all item Consumer Price Index for Canada reported for the prior year (during the period October 1 through September 30) as determined by Statistics Canada.

If the member has been receiving benefits for less than one year (calculated from the first day of the month coinciding with or next following the date ending the initial assessment period), the consumer price index factor will be $1/12^{\text{th}}$ of the actual increase in the all item Consumer Price Index for Canada reported for the prior year (during the period October 1 through September 30) as determined by Statistics Canada, for each full month of disability prior to January 1 (calculated from the first day of the month coinciding with or next following the date ending the initial assessment period).

Changes to the Consumer Price Index

If there is a change in the method of calculating the all items Consumer Price Index for Canada:

1. the all items Consumer Price Index for Canada will be used for the period preceding the change; and
2. an appropriate measure of inflation will be used for the period after the change, as determined by the Administrator.

Rehabilitation Benefits

Rehabilitation involves a training strategy or work related activity that:

1. can be expected to facilitate a disabled member's return to the member's job or other gainful employment; and
2. is recommended and approved by the Administrator.

In considering whether or not a rehabilitation proposal is appropriate, the Administrator will assess such factors as the expected duration of the disability, and the level of activity required to facilitate the earliest possible return to employment.

Manulife Financial recognizes the individual needs of members with disabilities by making a distinction between a rehabilitation program and a rehabilitation plan.

Rehabilitation Program

To be classified as a rehabilitation program, the goal must be:

1. to return the member to work in a different job that requires extensive or prolonged training; or
2. to return the member to work in a self-employed capacity.

Training is considered extensive or prolonged if it lasts longer than 12 consecutive months.

Rehabilitation Plan

To be classified as a rehabilitation plan, the goal must be:

1. to return the member to work in the same job;
2. to return the member to work in a modified job with the same employer; or
3. to return the member to work in a different job that capitalizes on transferable skills.

Participation Commitment

If a member does not participate or cooperate in a rehabilitation plan or program that has been recommended and approved by the Administrator, the member will no longer be entitled to benefits.

Time Duration	<p>The Administrator must approve the duration of a rehabilitation plan or program. Once approved, a member's benefit period is for that duration as long as the member continues to participate and cooperate in the plan or program.</p> <p>Where a member is involved in a rehabilitation plan or program and benefits are to be terminated due to recently submitted medical information or change of definition, benefits will end on the later of:</p> <ul style="list-style-type: none"> (a) the previously approved rehabilitation plan or program end date; (b) the first teaching day of the next term or semester as applies to the member's assignment; or (c) any earlier date as may be agreed by the member and the Administrator.
Rehabilitation Program Re-employment Benefit	<p>If the member is participating in a rehabilitation program that involves employment, the benefit period will be at least until the end of the initial assessment period.</p>
Rehabilitation Retraining Period Benefit	<p>If the member is participating in a rehabilitation program that involves training rather than employment, the benefit period will be extended up to 6 months after training ends. This extension is provided for purposes of job search.</p>
Employment Income	<p>Employment income earned during a rehabilitation period will be considered under the rehabilitation incentive provision.</p>
Expense Benefit	<p>Manulife Financial will pay for reasonable expenses, other than usual employment expenses, associated with a rehabilitation program.</p> <p>Expenses claimed under this provision must be pre-authorized by the Administrator.</p>
Employment Subsidy	<p>If a rehabilitation program involves the member's return to work with the same or another employer, Manulife Financial will subsidize the employer by 50% of the salary paid to the member during the first 3 months of the program.</p> <p>The subsidy must be pre-authorized by the Administrator.</p>

Termination of Benefit Payments	<p>When an insured member becomes disabled according to the terms of this benefit provision and the Administrator has begun making benefit payments, then the benefit payments will cease, unless specifically extended elsewhere in this Policy, on the earliest of:</p> <ul style="list-style-type: none"> (a) the date the member ceases to be disabled as defined in this Policy; (b) the date the maximum benefit period as specified in the Table of Benefits has been reached; or (c) the date the member dies.
Termination of Benefits	<p>Where a medical statement confirms that the member's condition has stabilized so as to permit the member's return to the member's own occupation, the benefit period may continue to the end of the current term or semester.</p>
Extension of Benefits	<p>If this Policy terminates, benefits will continue during the period of disability, provided that such disability occurred before the termination date and is reported to the Administrator no later than six months after its commencement.</p>
General Limitations	<p>No benefits will be paid for:</p>
Pre-existing Conditions	<ul style="list-style-type: none"> 1. disability arising from an illness or injury for which the member obtained medical care before the member became insured. Medical care is considered to be obtained when a person consults a doctor, uses medication on the advice of a doctor or receives other medical services or supplies. <p>This exclusion does not apply if disability starts after:</p> <ul style="list-style-type: none"> (a) the member has been continuously insured for 1 year; or (b) the member has not had medical care for the illness or injury for a continuous period of 90 calendar days ending on or after the date the insurance took effect.
Reasonable and Customary Treatment in the Benefit Period	<ul style="list-style-type: none"> 2. any part of the benefit period in which the member does not participate or cooperate in a reasonable and customary treatment program. <p>A reasonable and customary treatment program is systematic treatment that:</p> <ul style="list-style-type: none"> (a) is performed or prescribed by a legally licensed doctor of medicine; and (b) is of the nature and frequency usually required for the condition involved.

Where considered appropriate by the Administrator for the severity of the condition, the treatment must be prescribed by, and if appropriate, performed or supervised by a certified specialist for the condition involved.

If substance abuse contributes to the member's disability, the member's treatment program must include participation in a recognized substance withdrawal program.

3. Any part of the benefit period in which the member is no longer under continuing medical supervision and treatment considered satisfactory by a physician or physicians designated by the Administrator.
 4. the date when the member fails to furnish satisfactory proof of continuance of disability, or fails to submit to an examination requested by the Administrator.
 5. any period when the member fails to participate or cooperate in a rehabilitation plan or program that has been recommended and approved by the Administrator.
 6. the scheduled duration of a leave of absence if disability starts after the leave of absence began.
 7. any 12-month period in which the member does not reside in Canada for at least 6 months, unless the member is on an assignment with the Department of National Defence or medical treatment is not available in Canada for the condition for which the member is receiving benefits.
 8. a period of confinement in a prison or similar institution, including the member's home.
 9. disability arising from war, insurrection or voluntary participation in a riot.
- Rehabilitation Plans or Programs
- Leave of Absence
- Canadian Residency
- Prison Confinement
- War, Insurrection, Riots