

**Policyholder: Archdiocese of San Francisco - Lay Employees electing Core
Effective Date: 1/1/2009**

Long-Term Disability (LTD) Insurance Package

Our LTD insurance program is designed to replace a portion of your income when you cannot work on a full-time basis because of injury or illness.

Qualifying For Benefits

You qualify as disabled for the first 2 years of disability if:

- you are not working and cannot perform your normal occupation due to injury or illness, or
- you are working on a limited or part-time basis due to injury or illness and you have lost at least 20% of the income you earned before you became disabled.

Thereafter, you qualify as disabled if:

- you are not working and cannot perform any occupation you are reasonably qualified to perform based on your background, training or education, or
- you are working on a limited or part-time basis due to injury or illness and you have lost at least 20% of the income you earned before you became disabled.

Your benefits at a glance

When benefits begin	<p>Benefits begin after you have been disabled for 3 months. This is called the elimination period. It may be satisfied with days of total and/or partial disability.</p> <p>If you recover and return to work full-time for 30 days or less during the elimination period, and your disability recurs, you do not have to satisfy a new elimination period for the recurring disability. The elimination period resumes where it stopped if you become disabled again from the same or related cause. However, the period of recovery does not count toward fulfillment of the elimination period.</p>																		
Benefits if not working	You receive a total disability benefit. Your benefit equals 66 2/3% of your monthly predisability earnings, up to a maximum of \$4,000 per month. This amount may be reduced by other income sources.																		
Benefits if working	<p>If you've lost at least 20% of your earnings, you may receive a Work Incentive Benefit. This equals up to the total disability benefit as long as the sum of your earnings, income from other sources, and Work Incentive Benefit does not exceed your predisability pay. If it is greater than your predisability pay, your Work Incentive Benefit will be reduced by the amount exceeding your predisability pay. You may receive Work Incentive Benefits for up to 12 months.</p> <p>If you're still working on a limited or part-time basis when Work Incentive Benefits end, and you've lost at least 20% of your earnings before your disability, you may receive a Residual Disability Benefit. Your Residual Disability Benefit equals your income loss percentage multiplied by your total disability benefit. For example, if you lose half of your predisability pay, you'll receive half of your total disability benefit.</p>																		
When benefits end	<p>You'll receive benefits as long as you qualify as disabled, to a maximum of your Social Security Normal Retirement Age.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Age at Disability</th> <th>Benefit Duration</th> </tr> </thead> <tbody> <tr> <td>Before age 65</td> <td>Later of date 24 months after the Benefit Payment Period begins or SSNRA.</td> </tr> <tr> <td>Age 65 and over</td> <td>Later of the date of SSNRA or completion of the following months:</td> </tr> <tr> <td></td> <td> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Age on Date Disability Begins</th> <th>Benefit Duration</th> </tr> </thead> <tbody> <tr> <td align="center">Age 65 - 67</td> <td align="center">24 months</td> </tr> <tr> <td align="center">Age 68 - 69</td> <td align="center">18 months</td> </tr> <tr> <td align="center">Age 70 - 71</td> <td align="center">15 months</td> </tr> <tr> <td align="center">Age 72 and over</td> <td align="center">12 months</td> </tr> </tbody> </table> </td> </tr> </tbody> </table>	Age at Disability	Benefit Duration	Before age 65	Later of date 24 months after the Benefit Payment Period begins or SSNRA.	Age 65 and over	Later of the date of SSNRA or completion of the following months:		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Age on Date Disability Begins</th> <th>Benefit Duration</th> </tr> </thead> <tbody> <tr> <td align="center">Age 65 - 67</td> <td align="center">24 months</td> </tr> <tr> <td align="center">Age 68 - 69</td> <td align="center">18 months</td> </tr> <tr> <td align="center">Age 70 - 71</td> <td align="center">15 months</td> </tr> <tr> <td align="center">Age 72 and over</td> <td align="center">12 months</td> </tr> </tbody> </table>	Age on Date Disability Begins	Benefit Duration	Age 65 - 67	24 months	Age 68 - 69	18 months	Age 70 - 71	15 months	Age 72 and over	12 months
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Death benefit	If you die while receiving disability benefits, your survivor(s) receive a lump sum benefit equal 3 times your total disability benefit before integration with other income. If you are diagnosed with a terminal illness and you are not expected to live more than 12 months, you may elect to receive this benefit before you die.
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Mental Health Conditions

Benefits for disabilities resulting from mental health conditions are limited to 24 months. Benefit payments may continue after 24 months if you are confined to a facility qualified to provide treatment for the condition.

Alcoholism and Drug Abuse

Benefits for disabilities resulting from alcoholism or drug abuse are limited to 24 months. Benefit payments may continue after 24 months if you are confined to a facility qualified to provide treatment for the condition.

Benefit Integration

We coordinate disability benefits with income disabled employees receive from other sources, such as:

- sick pay or salary continuance,
- retirement payments or disability benefits from Social Security or other government agencies,
- disability or retirement benefits paid by pension plans sponsored by you,
- Workers' Compensation.

Future cost of living increases on other income sources will not further reduce benefit payments.

We do not coordinate disability benefits with income disabled employees receive from these sources such as 401(k) plans, Individual Retirement Accounts (IRA), Tax Deferred Annuities (TDA), and Individual disability income policies.

Benefit Termination

Benefits end when the employee recovers or:

- reaches the maximum benefit duration
- fails to provide any required proof of disability
- dies
- ceases to be under the care of a physician
- fails to report income from other sources
- fails to submit to required medical exam

Exclusions

Your policy does not pay benefits for disabilities resulting from:

- preexisting conditions
- willful self-injury
- war or act of war
- voluntary participation in an assault or felony
- a new or continuing disability after the benefit payment period has ended and the employee has not returned to active work

Preexisting Conditions

A preexisting condition is a sickness, injury, Mental Health Condition or drug/alcohol condition for which employees

- received medical treatment, consultation, care or service,
- were prescribed or took prescription medications, or
- had symptoms or conditions which would cause a reasonably prudent person to seek diagnosis, care or service

in the three months prior to their effective date under this LTD policy.

Your LTD policy does not pay benefits for disabilities resulting from preexisting conditions that begin before the employee has been insured under this LTD policy for 12 consecutive months.

The preexisting condition exclusion will apply to benefit increases resulting from changes in policy provisions.

Note: This announcement supplements any materials presented by your employer. It does not contain all insurance contract provisions, restrictions of coverage, benefits by conditions or limitations, or provisions required by state or federal law. A more complete description is in the booklet that will be issued to each member. Ask your employer for details.



Principal Life Insurance Company
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