

Chapter 6 Employee Benefits

Section 19 Long-Term Disability Insurance

The long-term disability coverage helps employees and their families guard against the threat of loss of income due to sickness or injury. To receive benefits, an employee must be:

- Unable to perform the material and substantial duties of his/her own occupation (own occ) during the Initial Duration period and after that period, must be unable to perform the material and substantial duties of any occupation (any occ) for which she/he is reasonably qualified.
- Not working for wage or profit.
- Under the care of a physician.

Duration of Coverage

The elimination period plus a and b below as applicable

a) own occupation - 12 months; and

b) any occupation - until normal retirement age according to the Social Security Act

Monthly Benefit Percentage

70% of monthly earnings-for first \$0 to \$1,500/month

65% of monthly earnings-for amounts above \$1,500/month

Minimum Monthly Benefit

\$50 (will automatically be paid once eligibility has been determined even if you elect to continue using your accumulated sick leave benefit)

Maximum Monthly Benefit

\$3,000

Taxability

The disability benefits are taxable to the employee. For specific advice on taxability and income withholding, employees are directed to their own tax advisor. Arrangements can be made with the insurance carrier for tax withholdings.

Elimination Period

The base plan has a 180 day elimination period. Benefits are payable after the end of the elimination period. Employees will have a one time opportunity to purchase a reduced elimination period (30 days, 60 days, 90 days, 120 days, 150 days). The employee can increase the elimination period after the initial election. However, once the election is made the elimination period cannot be decreased.

Eligibility Determination and Sick Leave Coordination

In order to receive the benefits for total disability or partial disability, the covered person must return the completed employee and physician statements to Risk Management and cooperate with the insurer (Prudential Insurance) by providing them access to the medical records needed to determine benefit eligibility. Any delay in providing medical statements may result in delayed benefits.

If the covered person is determined to be eligible for the disability benefit, she/he may choose either the disability benefit or any accumulated sick leave but not both at the same time. The plan has an offset provision that will deduct county paid sick leave from disability benefits under the program. Employees electing to use their sick leave are considered active employees and as such, continue to receive benefits and to accrue benefits. In order for the payroll division to properly record the event, the employee must sign a Disability Leave Election Form at the beginning of the disability electing their choice of either disability benefits or sick leave benefits.

When the covered person begins receiving the disability benefit, she/he is no longer considered an “active employee” and will not receive or accrue benefits. The covered employee may, however, be eligible for COBRA benefits. In these circumstances, any sick leave balance remaining (not ESLA) can be converted to a dollar equivalent and used to pay the cost of the County’s health insurance benefit. (Sick leave conversion cannot be used to pay for any other insurance benefit such as dental insurance or life insurance).

Once a covered person begins receiving the disability benefit, she/he cannot switch back to using sick leave.

This is merely a summary and overview of the long-term disability benefit. For specific questions, consult the benefit booklet and the Risk Management Division.