

Clarification of Partial Disability Benefit, Rehabilitation, Permanent Partial Disability Benefit

At Manulife Financial we want to support your employees when they are able to attempt an appropriate, timely, monitored return to work during the qualifying period.

We can support early return to work attempts by:

- providing assistance with arranging the return to work,
- monitoring the return to work
- ensuring that the attempted return to work does not negatively impact on the employees entitlement to disability benefits
- if the employee is in receipt of STD, calculating the STD benefit to provide a financial incentive to return to work.
- accepting appropriate return to work attempts on a Rehabilitation basis or a Partial Disability basis.

During the Qualify Period (whether or not on STD) both Partial Disability Benefit and Rehabilitation are done on an extra contractual basis. In the case of the Common Faculty Agreement and those Institutions that have mirrored this agreement, there is a Letter of Understanding between the employer and the union that outlines how partial disability benefits will be administered for employees falling within those agreements. Manulife Financial has agreed to administer the plan according to this Letter of Understanding.

While the employee is working on an approved Partial Disability Benefit program they would receive a benefit equal to 70% of his/her pre-disability earnings from Manulife for the time that he or she is not working due to disability, and 100% of earnings from his or her employer for the time that he or she is working. The qualifying period for STD/LTD is extended, however, the employee must satisfy the qualifying period for short term disability within 6 months of the date the employee commenced a reduced workload.

For those individuals who are not under the Common Faculty Agreement or an Institution that has mirrored this agreement we use the LTD rehabilitation provision to calculate the benefit. The qualifying period for STD/LTD is not extended by the time the individual is working.

What is the difference between Rehabilitation and Partial Disability Benefit?

The objective of rehabilitation is to facilitate an employee's full-time return to his/her job or other gainful employment.

Whereas partial disability benefits permits an employee to continue working in a reduced capacity until he/she becomes totally disabled or until there is a change in the medical condition such as remission.

Partial Disability Benefit – applies during the qualifying period

In order to support partial disability we look for the following criteria:

- The diagnosis is severe and potentially life-threatening
- The treatment can be debilitating
- The medical evidence could easily support total disability
- The medical condition will likely deteriorate to total disability for a period of time
- Return to work efforts will not change the employee's level of function (ie ease back or work hardening will not improve the employee s function. Total disability or a return to full time work is totally dependent on illness, either progression or remission)

The intent of allowing partial disability claims is to promote and support individuals who are motivated to try to continue working. Each situation is assessed on it own merits.

Rehabilitation

In order to accept a return to work attempt as rehabilitation the following guidelines must apply and must be approved by Manulife in advance:

- It must be a part-time or modified work situation.
- Based on the medical information it is reasonable to expect that the employee will recover and will not remain impaired.
- Recovery and a full-time return to work are expected

The rehabilitation provision in disability policies is to assist the individual from being totally disabled to returning to full-time work. As a result, there is a 24 month maximum period for rehabilitation. The intention is that a successful return to full-time work should not take a longer period than this. The calculation of disability benefits during the rehabilitation period is clearly outlined in each Institution's Long Term Disability policy.

Permanent Partial Disability – applies after an individual has exceeded the 24 month maximum of rehabilitation

Under the terms of the disability policies there is no permanent partial disability benefit provision. However, if an individual's medical condition is such that they would satisfy the definition of total disability but they are motivated to continue working as long as medically able to, we do not want to penalize them for this attempt. The employee's Long Term Disability benefit is no longer calculated under the rehabilitation provision of the policy. For all Institutions the benefit is calculated in a manner consistent with Short Term Disability Letter of Understanding – ie, the individual would receive a benefit equal to 70% of his/her pre-disability earnings from Manulife for the time that he/she is not working due to disability, and 100% of earnings from his/her employer for the time that he/she is working.

**Q&A Employer Interpretation of Faculty Common Agreement
LOU 4 Partial Sick Leave and Partial Disability Benefits**

Revised: December 22, 2005

QUESTIONS AND ANSWERS

- Q1. Will our contract with Manulife be amended to reflect the inclusion of partial disability as outlined in the Letter of Understanding re: Partial Sick Leave and Partial Disability Benefits (dated November 30, 2004) in the BCGEU and FPSE MID settlements for 2004-07?**
- A1. Manulife will not be amending their contract. The contract will not have provisions for partial disability for short term disability or long term disability. Instead, Manulife has agreed to review sick leave claims submitted by employees who are disabled but could work some of the time. Each claim will be reviewed on a case-by-case basis. Manulife's approval of a sick leave claim does not guarantee approval for short term disability or long term disability.
- Q2. When should we send a claim for partial disability to Manulife?**
- A2. If an employee is away for 20% or more of a full-time workload and the illness is expected to last five days or more.
- Q3. When should the institution ask the employee to submit his/her claim for partial disability?**
- A3. Where the employee's partial disability is expected to extend beyond five calendar days, the institution should require the employee to submit within the first five days of partial sick leave the work abilities form and the short-term disability claim form.
- Q4. If an employee's claim meets the criteria set out in Question 2, will the institution continue to pay the employee?**
- A4. An employee's pay will continue for the time the employee is away from work on partial sick leave until the earliest of the following:
- 1) the date the employee's claim is denied by the carrier.
 - 2) normally at the end of 30 calendar days if the claim has not been approved by the carrier.

Q5. What is the definition of disability?

A5. Partial Disability is described in the Letter of Understanding re: Partial Sick Leave and Partial Disability Benefits (dated November 30, 2004) in the BCGEU and FPSE MID settlements for 2004-07 and complies with the definition of disability in the Faculty Common Short Term Disability plan, which is outlined below.

1) Disability or illness means the inability, because of accident or sickness of a covered employee, to perform the regular duties of his/her own occupation.

2) During a period of disability or illness as defined in item 1, an employee must be under the regular and personal care of a legally qualified doctor of medicine.

Q6. Are employees who are absent from work on a partial basis referred to the Rehabilitation Committee?

A6. All employees who are absent from work on a partial basis must be referred to the Rehabilitation Committee immediately.

Q7. When will a disabled person, working on a part-time basis, become eligible for short term disability?

A7. Sick leave will be accumulated on a pro-rated basis until the employee has satisfied the 30-day short term disability qualifying period based on the amount of time the employee's regular workload is reduced. For example, if the employee's work load is reduced by 50%, the employee will become eligible for sick leave after 60 calendar days.

Q8. How long does an employee have to accumulate the 30 days towards the short term disability qualifying period?

A8. The 30 days must be accumulated within 6 months of the employee commencing the reduced workload.

Q9. What happens if an employee recovers and returns to work and then becomes disabled again from the same cause?

A9. If an employee returns to full regular duties of his or her own occupation during the sick leave period and then becomes disabled from the same or a related disability within 14 consecutive calendar days after returning to full time employment, he/she will be considered to be within the same qualifying time for short term disability.

Q10. If an employee continues to be disabled and completes the short term disability qualifying period, will more medical information be required by Manulife?

A10. Towards the end of the 30 day (accumulated) qualifying period for short term disability, Manulife will review medical information received to date and determine if the employee continues to meet the definition of disability. If the employee is still disabled in accordance with the definition of disability under the contract, benefits will commence under the short term disability plan.

Q11. What benefits will be paid by the short term disability plan?

A11. The short term disability plan will pay 70% of the employee's gross weekly normal earnings on the last day of work (or 70% of the employee's earnings based on the last day the employee was on sick leave). Note that the benefit payable under the short term disability plan is taxable. In addition, the employee will receive pay from the employer for the time he/she is at work during the qualifying period for short-term disability benefit.