

Faculty Common Disability Plan Disability Administration Issues

Waiver of Premium

When an employee is in receipt of disability benefits, s/he continues to be entitled to all other disability benefit coverage. The following outlines how benefits should be continued during a period of disability.

Sick Leave

While an employee is in receipt of sick leave benefits, short term and long term disability, life, accidental death and dismemberment, extended health, dental and other benefit coverage (i.e., emergency travel assistance, medical travel referral benefit, etc.) monthly premiums/contributions remain payable on the same cost sharing basis.

*Short Term Disability**

When an employee is in receipt of short term disability benefits, short term and long term disability, life, accidental death and dismemberment, extended health and dental premiums/contributions remain payable on a monthly basis. Once the maximum short term disability benefit period has been exhausted, no further short term disability premiums are payable.

*Long Term Disability**

Once an employee has been approved for long term disability benefits, short and long term disability monthly premiums are waived, effective as of the first long term disability benefit commencement date. Basic life premiums are also automatically waived (as per the long term disability application form) as of the disabled employee's long term disability benefit payment date. In unusual cases, an employee may be approved for life waiver of premium even though long term disability benefits are denied (i.e., pre-existing condition). In this circumstance, you will be informed when life waiver of premium is approved, and advised of the date from which premiums should be waived. An employee's accidental death and dismemberment monthly premiums will be waived upon providing proof to IAP that the employee has been approved for life waiver of premium.

*It is important that individuals receiving benefits from WCB file a short and long term disability claim in accordance with the plan's time limits so that the above waivers become effective.

Continuation of Benefit Coverage while on Leave of Absence/Lay-off

Unpaid leave of absence

Employees may take an approved unpaid leave of absence of up to 18 months and will retain disability benefit coverage as they are required to pay the full premium (for short and long term disability) for the leave period.

Therefore, once an employee's unpaid leave of absence is approved:

- Calculate the short and long term disability premium owing for the duration of the unpaid leave of absence to a maximum of 18 months;

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- Obtain payment up front, or determine a method of premium payment (i.e., post dated cheques) from the employee;
- Notify the carrier of the employee name, division, duration of leave, expected return to work date and other related details; and,
- Continue to remit monthly premium as provided by the employee to the carrier to continue the employee's disability coverage.

Temporary Lay-off (with a pre-determined recall date)

Disability benefit coverage for employees with a pre-determined lay-off period of less than nine months will automatically have their disability coverage (short and long term disability) continued **without** premium payments being required. However, in the event that such an employee becomes disabled during his/her temporary lay-off period, the disability benefits payable will be based on his/her average earnings over the 52 weeks prior to becoming disabled.

If an employee has a pre-determined lay-off period exceeding nine months, the employee must apply to the carrier for approval to continue benefit coverage.

Payment of Benefit While on Leave of Absence

In the event that an employee is on a leave of absence and subsequently becomes disabled, s/he is eligible to apply for benefit payments on the date on which s/he satisfies the disability qualifying period (30 days for short term disability benefits).

Employees going on an unpaid leave of absence should provide the HR/Disability Management Coordinator with information on how s/he can be contacted while on leave. Further, HR/Disability management Coordinators should give clear instructions on what to do in the event that s/he becomes disabled (i.e., contact HR/Disability management Coordinator, etc.)

Payment of Claims While Out of Country

Note that if an employee is out of the country when s/he becomes disabled, the Canadian Residency Requirement will apply (see General Policy Provisions of the carrier contract), unless of course, the employee is medically unable to travel to Canada.

Subrogation

The carrier has a right to subrogation under both the short and long term disability benefit plans. This means that in the event an accident occurs that is caused or contributed by the action of any third party and the disabled employee receives a wage loss benefit as a result, the carrier has the right to recover or decrease plan benefits by an amount equal to the amount that plan benefits in combination with the wage loss claim paid exceed 100% of the employee's pay. This of course, is subject to a number of items, which have been outlined in the carrier contract (see page 3 of Short and/or Long Term disability sections of the contract).

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The carrier standardly requires a reimbursement agreement, an accident report and if appropriate a copy of the police report to be on file in the case of claims resulting from an accident. The reimbursement agreement primarily pertains to motor vehicle accidents but they're occasionally situations where the accident is not as a result of a motor vehicle accident and there is a legal case against someone because of an injury.

Once all the information is on file with the carrier, they advise the disabled employee of the subrogation provision in the policy. The carrier may also send a letter to ICBC or another third party, as well as their legal council advising them of the carrier's subrogated rights.

The carrier may frequently ask the disabled employee's legal council to represent their subrogated interests to ensure that they are protected during settlement negotiations. As a result, the carrier will standardly agree to pay around 25% of the money recovered for their subrogated interests when the award is made to the council.

If there is no lawyer involved, the carrier will rely on the disabled employee and/or the other third party to keep the carrier apprised of the claim. This is followed up by frequent correspondence and/or phone calls.

WorkSafe BC Claims

If a disabled employee as a result of a work related injury applied for WorkSafe BC benefits but has not yet been approved by the third week of the sick leave benefit period, the HR/Disability Management Coordinator should contact the employee to provide him/her with a short term disability application form. Based on the medical information provided and upon the employee signing an agreement to replay all short term disability benefits when WorkSafe BC benefits are approved, the carrier will approve short term disability benefits so the employee is not left without any income for a long duration.

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