

# Employer Administration Guide for Long Term Disability

Pensions and Employee Benefits Division Department of Human Resources <u>http://www.gnb.ca/employee\_benefits</u>

August 2016



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## Introduction & General Information

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The purpose of this Guide is to provide clear and concise information regarding the Long Term Disability Plan for Employees of the Province of New Brunswick. It provides guidance on the various administrative aspects of the benefit that you will find useful in your day-to-day operations. The Long Term Disability (LTD) Plan for the Employees of the Province of New Brunswick provides a valuable income replacement benefit for participating employee and employer groups across all Parts of the Public Service and some quasi-public groups. As an administrating employer, you play a vital role in the daily operations of the Plan on behalf of your employees. We rely on you to enroll new members, report plan member changes, participate in the employee's successful return to work, collect and remit contributions, and assist in communicating the coverage.

When there are changes to LTD Plan provisions or administrative practices, Pensions and Employee Benefits Division (PEBD), Department of Human Resources will distribute the updated section(s) to ensure that you have the most up-to-date version. Each update will be emailed to you, and will be posted to the PEBD website.

This Guide is not intended to replace the General Information or Long Term Disability Coverage benefit pamphlets, but rather acts as a guide for administrating the benefit provisions described therein and related Administrative Directives. For a more detailed description of the disability coverage, please refer to the LTD coverage pamphlets located in the Employee Benefits folder or visit the PEBD web site at:

#### http://www.gnb.ca/employee\_benefits

Should anything in the Guide conflict with governing legislation or the LTD Plan text, the legislation or the LTD Plan text shall apply. We reserve the right to change these policies and procedures at any time. However, we will notify you of changes. These procedures are intended for use under normal operating circumstances. We reserve the right to take alternative steps if we deem such steps necessary.



1.2	History & Plan Overview
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- History The LTD Plan has its roots in the 1980's, as a benefit covering nonbargaining employees. Most bargaining groups have joined the plan since. Its current design came about in 1991; it became self-insured in 1996; and, by 2009, the LTD Plan had grown to provide coverage for more than 19,000 employees, with over 150 employers administering it.
- Plan Overview Premiums are 100% employee-paid, and are held in a trust fund, established to cover operating costs and claim payments. The LTD Committee has the responsibility of ensuring that the Plan is adequately funded, and properly administered. The Committee is composed of Plan Administration (PEBD), bargaining and non-bargaining representatives.

Although the LTD Committee is responsible for overseeing day-to-day operations and making decisions regarding many aspects of the Plan, it is not currently fully trusteed. Therefore, contract signing authority rests with the Province; and final decision for some matters, on recommendation from the Committee, rests with the Board of Management.

All terms and conditions of the Plan are written in the LTD Plan text.

Participation in the LTD Plan is mandatory (a condition of employment) for all new employees of participating groups, including non-bargaining employees, who are eligible and pay into the Plan. (See section 2.1 of this Guide for the Definition of an Eligible Participant.)

In order for a new group to join the Plan, at least 75% of the group's eligible employees must be committed to participate in the Plan. Participation is mandatory for any new employees hired after the group's implementation date.

# Roles & Responsibilities

PLAN ADMINISTRATOR	Pensions and Employee Benefits Division (PEBD), Department of Human Resources, is responsible for the overall management of the Plan. You should contact PEBD for communication materials, and for answers to administrative questions, such as matters relating to eligibility, enrolment, changes in status, and premium payment requirements.
Benefit Counsellor	Located at PEBD, the Benefit Counsellor is your key contact for questions on coverage, claim procedures, and benefits entitlements, including impact on other benefits such as pension. Benefit Counsellors can also direct you to the best source of information for case-specific questions.
Data Integrity Officer	Located at PEBD, The Data Integrity Officer is your contact for questions concerning the Participating Employer PIBA Manual.
CLAIMS ADMINISTRATOR	Currently, Medavie Blue Cross (MBC) is responsible for adjudicating and managing claims. This includes decisions on claims; rehabilitation, such as return to work programs; and the payment of monthly benefits.
Rehabilitation Coordinator and Claims Specialist	Employed by MBC, the Rehabilitation Coordinator and Claims Specialist are responsible for managing the claim, based on the provisions of the LTD Plan. They work in collaboration with the employee, the employee's physician, other health care providers, the employer, the union, and PEBD.
Case Management Assistant	Employed by MBC, the Case Management Assistant is responsible for assisting the Claims Specialist and the Rehabilitation Coordinator. Also, they work with the employer and the employee for the administration of claims, such as matters relating to correspondence, benefit calculations and earnings paid to an employee participating in a Gradual Return to Work Program.
UNION (Advocate)	The Union plays an important role in the process, particularly in planning a Return to Work or when considering alternative positions for the employee.

## 1.3 (Cont'd) Roles and Responsibilities

- **EMPLOYER** The employer has multiple administrative responsibilities, primarily: enrollments and terminations of LTD coverage; providing benefit information; reporting employee changes; submitting Employer Statements for claims; participating in MBC approved Return to Work efforts; as well as collecting and remitting premium contributions within the required time frame. In addition, the employer is responsible for reporting any organizational changes to PEBD.
- **EMPLOYEE** Primarily, the employee is responsible for notifying their employer when they require changes in coverage and of their intent to file an LTD claim. However, as an LTD claimant or in receipt of a benefit, there are specific responsibilities, which will be covered in sections 5 and 6 of this Guide.

Privacy Legislation

**POPIA** The LTD Plan is compliant with the *Protection of Personal Information Act* (*POPIA*). The purpose of this Act is to govern the collection, use and disclosure of personal information by organizations in a manner that recognizes both the right of individuals to protect their personal information and the need of organizations to collect, use or disclose personal information for purposes that a reasonable person would consider appropriate in the circumstances.

For more information on POPIA:

http://www.gnb.ca/0062/Acts/acts-e.asp#GlossP

**PIPEDA** Medavie Blue Cross adheres to the *Personal Information Protection and Electronic Documents Act (PIPEDA).* This Act sets out ground rules for how private sector organizations may collect, use or disclose personal information in the course of commercial activities. It gives individuals the right to access, and request correction of, the personal information these organizations may have collected about them.

For more information on PIPEDA:

http://www.priv.gc.ca/index\_e.cfm

## **Contact Information**

Pensions & Employee Benefits Division (PEBD) Phone: (506) 453-2296 or Toll Free in Canada 1 800-561-4012 Fax: (506) 457-7388

Postal Address:

Street Address:

PO Box 6000 Fredericton, NB E3B 5H1 Suite 680, York Tower Kings Place, 440 King St. Fredericton, NB E3B 5H8

Medavie Blue Cross (MBC) Phone: Toll Free in NB 1 877-347-5055 Toll Free in Canada 1 800-667-4511 Fax: 1 800-644-1722

Postal Address: 644 Main Street PO Box 220 Moncton, NB E1C 1E2

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## **Information Sources**

#### **PEBD Website**

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#### **Benefit Pamphlets**

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# LTD Benefits at a Glance



The PEBD website has current LTD Plan communication materials.

http://www.gnb.ca/employee\_benefits

PEBD provides and maintains a Benefit Folder to the employer for every new employee eligible for the PNB benefit plans. The folder contains an LTD pamphlet that describes the coverage along with an overview of the LTD Plan's provisions. Also, the folder includes a General Information pamphlet that sets out, for example: administrative details regarding eligibility, continuation of coverage and waiver of premium for example. For LTD Nurses in Nursing Homes, there is a separate LTD pamphlet. The pamphlets are available at PEBD and are also posted on the PEBD website.

The LTD newsletter provides information about Plan changes, such as a rate adjustment or a Plan amendment.

http://www2.gnb.ca/content/gnb/en/departments/human\_resources/ pensions\_and\_benefits/content/employees\_insured-benefits.html

## 1.6

## 1.6 (Cont'd)

### **Information Sources**

#### Payroll Deductions Online Calculator



#### Employment Insurance



The Canada Revenue Agency created a *Payroll Deductions Online Calculator* that calculates payroll deductions for all provinces (except Quebec), based on the information you provide. The link is as follows:

https://apps.cra-arc.gc.ca/ebci/rhpd/startLanguage.do?lang=English

#### Tips:

- Net salary is defined as "Salary minus federal and provincial income taxes only". Do not reduce taxable income further by union dues, additional tax deducted as per employee's request, contributions to a RPP or RSP, etc.
- Use the period Tax Table that corresponds with the Date of Disability, not necessarily the current year.
- If the employee does not fall under the basic exemption category, look up and use the employee's personal tax exemption code.

Employment Insurance (EI) provides Sickness Benefits to people who are unable to work because of sickness or injury.

If an employee has exhausted their paid sick leave before the LTD benefit begins, you should suggest that the employee consider applying for the EI Sickness Benefit, by visiting the Service Canada webpage:

http://www1.servicecanada.gc.ca/eng/sc/ei/benefits/sickness.shtml

Or by calling Service Canada: Toll Free at 1-800-206-7218 or TTY 1-800-529-3748

## 1.7 Definitions

- Actively at Work Active performance of work for the employer whereby the employee reports for work at his/her usual place of employment (or other location to which the employer requires him/her to travel) and is physically and mentally fit to perform the regularly required duties of his/her Normal Occupation (or other work that the employer may temporarily assign for him/her to perform). This employee is also considered to be actively employed on weekends, statutory holidays, vacation, and while on extended leave.
- **Duty to Accommodate**Duty to accommodate is a fundamental legal obligation under Human Rights legislation and the Supreme Court of Canada. Employers and unions must make every reasonable effort to accommodate an employee, short of undue employer hardship.
- Evidence of Any statement made on forms concerning medical evidence of a person's health and/or other factual information which affects his/her acceptability for coverage
- Health CareThis Includes physicians, psychologists, psychiatrists, social workers,<br/>counsellors, occupational therapists, physical therapists or any other<br/>professional or certified individual who assists in the health care of the<br/>employee
- **Net Salary** Salary less federal and provincial income taxes only.
- NormalThe regular occupation an employee was performing at the time he/sheOccupationbecame disabled by the condition that prevented him/her from working and<br/>led to a claim being made under the Plan
- Other Income Any remuneration other than regular employment income, as described under section 8.4 of this Guide. Other income is limited to income received as a result of the disability for which benefits are being claimed.
- Pre-disabilityThe employee's gross monthly salary, from the employer, immediately<br/>prior to the date Total Disability commenced
- Proof of Claim Includes the initial claim forms, reports and other information required by MBC

1.7 (Cont'd)	Definitions
Qualifying Disability Period	An initial period of Total Disability before benefits become payable, as defined in section 8.2 of this Guide. If an employee ceases to be Totally Disabled during this period and then becomes Totally Disabled again within one month due to the same cause, the Qualifying Disability Period will be extended by the number of days during which Total Disability ceased.
Rehabilitation Income	Income that the employee receives for work performed under a Rehabilitation Program, including self-employed activity.
Rehabilitation Program	A plan of training or work related activity recommended or approved by MBC, which is designed to help a disabled employee re-enter the work force.
Salary	See section 4.2.3 of this Guide for a complete description.
Total Disability / Totally Disabled	See section 8.3 of this Guide for a complete description.
WorksafeNB	WorksafeNB is a Crown corporation charged with overseeing the implementation and application of the following four pieces of legislation on behalf of the workers and employers of this province:
	<ul> <li>the Workplace Health, Safety and Compensation Commission Act</li> <li>the Workers' Compensation Act</li> <li>the Occupational Health and Safety Act</li> <li>the Firefighters' Compensation Act</li> </ul>
	For more information, visit the WorksafeNB website:

http://www.worksafenb.ca/leg1\_e.asp

1.8	Acronyms
AD&D	Accidental Death and Dismemberment
CBE	Certain Bargaining Employees (of NB Hospitals)
СРР	Canada Pension Plan
DCS	Disability Claims Specialist
EE	Employee
EI	Employment Insurance
ER	Employer
GRTW	Gradual Return to Work
НСР	Health Care Provider
LOA	Leave of Absence
LTD	Long Term Disability
LWOP	Leave Without Pay
MBC	Medavie Blue Cross
от	Occupational Therapist
PEBD	Pensions and Employee Benefits Division
PSSA	Public Service Superannuation Act
QPP	Québec Pension Plan
RC	Rehabilitation Consultant
RTW	Return to Work
TPA	Teachers' Pension Act

1.8 (Cont'd)	Acronyms
WCA	Workers' Compensation Act
WCB	Workers' Compensation Board
WHSCC	Workplace Health, Safety and Compensation Commission
WOP	Waiver of Premium

## Eligibility

2.

2.1	Definition of an Eligible Participant
2.2	Ineligible Employees
2.3	Late Applicant Process
2.4	Participating Groups
2.5	Employee Transfer Agreement

This section defines eligibility in the Plan, and the date an Employee becomes eligible for coverage.

If you have questions or need further clarification on this section, please contact PEBD at (506) 453-2296 or Toll Free in Canada at 1 800-561-4012.

### Definition of an Eligible Participant

Employees of a participating group (see Guide section 2.4) that are eligible to participate in the LTD benefit program are defined as follows:

**Full-time** Permanent, full-time employees who are actively at work for at least 35 hours per week.

**Part-time** Permanent, part-time employees, working at least 40% of full-time hours on a regular basis (averaged over 2 bi-weekly pay periods). Permanent part-time employees, with a later reduced work schedule, continue to be eligible for participation, provided they work a minimum 33-1\3% of fulltime hours on a regular basis.

#### Prior to April 1, 2014:

• Employees under the age of 60, less the qualifying period who were members of a pension plan that provided for pensionable service while in receipt of LTD benefits.

#### Effective April 1, 2014:

• All employees under the age of 65 less the gualifying period.

Changes in If an employee experiences a change in employment status that initiates eligibility, LTD coverage will begin on the first day of changed active **Employment** employment.

Grandfathered Employees who have transferred from a participating group to a nonparticipating group, by virtue of an Employee Transfer Agreement, and were permitted, or have agreed to continue their coverage (see Guide section 2.5).

Term We have noted that there may be different interpretations of "Term", **Employees** especially across the Part I, II, III and IV of the Public Service. If you have a term employee and are uncertain about their eligibility to participate in the LTD plan, please contact PEBD.



Participation in the LTD Plan is mandatory for all eligible employees.

2.1

Age Limitation

Status

**Employees** 

## **Ineligible Employees**

Employees who are not eligible to participate in the LTD Plan are:

- Co-op students
- Seasonal Employees
- Casual Employees
- Term Employees
- Temporary workers
- Personal Services Contract Employees

#### Note:

Term Employees

We have noted that there may be different interpretations of "Term", especially across the Part I, II, III and IV of the Public Service. If you have a term employee and are uncertain about their eligibility to participate in the LTD plan, please contact PEBD.



Renewal of an existing Personal Service Contract that included LTD participation may be continued with LTD coverage. All new Personal Service Contracts exclude LTD participation.

2.2

2.3

### Late Applicant Process

Definition	A Late Applicant is defined as an employee who applies for LTD coverage;
	however, at the time the LTD Plan was implemented for their group, chose
	to be excluded from participation in the Plan, and did not enroll within 31
	days of the group participation effective date

Applying forEmployees who are Late Applicants must provide evidence of insurability<br/>by completing and submitting the <u>Statement of Health</u> form to PEBD.

The medial information provided on the form is assessed by MBC, and MBC communicates its decision of approval or denial through PEBD to the Employer. If an employee's application for coverage is declined, they cannot participate in the Plan unless a subsequent application is submitted, at a later date, and approved. If an employee's coverage has been approved, the approval letter from PEBD will provide the effective date of coverage for payroll deductions.

#### Exception: Clerical Error

If an eligible employee is not enrolled in the Plan and payroll deductions have not begun within 31 days from the date that they became eligible because of *a clerical error*, then evidence of insurability is <u>not</u> required. This error most commonly occurs when an employee becomes eligible for LTD coverage due to a change in employment status.

Although this employee is not considered a Late Applicant and their coverage is automatically approved, they will be required to pay retroactive premiums back to their eligibility date. The employer and employee must jointly determine a payroll solution that will recover the outstanding premiums.



The maximum retroactive premium required is 12 months of contributions. This applies even if the eligibility date warrants more than one year of monthly premiums.

# Participating Groups

Bargaining Units	CUPE Local 946, Worksafe NB Maintenance CUPE Local 1251, Institutional Services and Care CUPE Local 1418, Rehabilitation and Therapy & Recreation and Culture Program Officers CUPE Local 1840, Court Stenographers CUPE Local 1860, Clerical Employees at WHS&CC (effective Feb 1, 2000) New Brunswick Nurses Union NBUPPE – Administrative Assistants NBUPPE – Clerical & Regulatory NBUPPE – Education/Instructional (effective May 1, 1999) NBUPPE – Education/Non-Instructional – Association of NB Professional Educators NBUPPE – Engineering and Field NBUPPE – Laboratory and Medical NBUPPE – Defice, Data Processing & Duplicating Equipment Operation NBUPPE – Para Medical NBUPPE – Industrial Training and Certification Officers NBUPPE – Specialized Health Care Professionals NBUPPE – Technical Inspection PIPSC – NB – Agriculture PIPSC – NB Crown Prosecutors PIPSC – NB Crown Prosecutors PIPSC – NB – Engineering, Land Surveying and Architecture PIPSC – Veterinarian Professional Support – Part II
Non-union and Employed by:	A Government Department or Agency A New Brunswick Hospital Authority or Agency ARCF de Saint-Jean Inc. Centre Communautaire Sainte-Anne Collèges communautaires du NB Conseil Communautaire Beausoleil Inc. Contract Management Services Ltd. Council of Atlantic Premiers Dialogue New Brunswick FacilicorpNB Maritime Forestry Complex Corporation NB Community Colleges NB Liquor Corporation NB Union of Public & Private Employees (NBUPPE) NB Energy and Utilities Board NB Healthcare Association NB Insurance Board NB Healthcare Association NB Insurance Board New Brunswick School Districts New Brunswick School Districts New Brunswick Securities Commission Nurses employed by a registered Nursing Home in the Province of New Brunswick Premier's Council on the Status of Disabled Persons Regional Development Corporation Workplace Health, Safety and Compensation Commission

# 2.4

# Employee Transfer Agreement

Definition	An Employee Transfer Agreement is a formal agreement, negotiated between the appropriate unions and the employer, for the transfer of employees from one Part of the Public Service to another.
Application	A. Employees who have LTD coverage and are transferring from a LTD participatory group to another participatory group are permitted to retain their coverage, without exception.
	B. Employees who have LTD coverage and are transferring from a LTD participatory to a non-participatory group are subject to Transfer Agreement Guidelines, as follows:
Polling Requirement	All LTD participatory employees affected by the transfer must be polled for written evidence of individual member choice for continuing or discontinuing their LTD coverage. Employees must be identified and polled including those who are not actively at work to ensure proper count and proportion of the group's choice, and continuation of claimants' coverage/waiver.
	Polling cards must be obtained from PEBD; and, once completed, the cards must be submitted to PEBD by the agreed-upon deadline at least 30 days prior to the date of payroll transfer. PEBD, with the assistance of the union and the employer must make every effort to identify and contact any employee who does not return a polling card.
	At least 75% of the employees affected by the transfer must indicate the choice to continue LTD coverage to allow the participation to continue after the transfer.
Continuation of Participation Requirement	<b>If the requirement is met</b> , the Employees (75% or more) who choose to retain their LTD coverage may do so with the same classification (premium rate) under the LTD Plan and the same group rate, upon date of payroll transfer.
	If the requirement is not met, coverage for <u>all</u> employees affected by the transfer is discontinued the day before the date of transfer.
	Note: regardless of the outcome of polling, employees who are in receipt of LTD benefits prior, during or after the transfer, are unaffected.
	For more information on Employee Transfer Agreement Administrative Guidelines, contact PEBD.

## Enrolment Procedures

3.1 When to Enrol

3.

- 3.2 How to Enrol
- 3.3 Plan Participant Maintenance

This section provides step-by-step instructions on employee enrolment.

Reminder: all eligible employees should be provided with a description of the LTD coverage, which is available in the LTD pamphlet located in the Employee Benefits Folder and on the PEBD website as follows:

http://www.gnb.ca/employee\_benefits

If you have questions, or need further clarification on this section, please contact PEBD at (506) 453-2296 or Toll Free in Canada at 1 800-561-4012.

## When to Enrol

All new eligible employees must be enrolled within <u>31 days</u> of their employment date.

If the employee becomes eligible for LTD coverage at a later date due to a change in employment status, the enrollment card must be completed and submitted to PEBD within <u>31 days</u> from the date they became eligible for LTD coverage.

Late Applicant (Clerical error) The requirement for proof of insurability for LTD coverage (i.e., completion of a <u>Statement of Health</u> form) is applied only when an employee of a new group entering into the plan wishes to enroll 31 days after the effective date of the group.

If an employee, for which this benefit is mandatory, is not enrolled within 31 days from his/her eligibility date, the cause is deemed to be a *clerical error*. The coverage is considered to have been in place from the date of eligibility; however, the employer and employee must determine a payroll solution that will recover the outstanding premium.

The employee is obligated to remit no more than 12 months of retroactive premiums in cases when more than one year of monthly contributions are owing.

3.1

### How to Enrol

1) To enroll an employee in the LTD plan, complete the enrollment card, which serves as confirmation of the employee's date of eligibility in the plan and the date of enrollment.

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For Nurses of NB Nursing Homes

- Set up the LTD premium deduction on the next available payroll to ensure that premium deductions begin within 31 days from their employment date or date of eligibility.
- Keep a copy of the enrollment card on file as it may serve as verification of coverage and deductions. Also, this card will provide information that is required for a LTD claim.
- 4) Send the original enrollment card to PEBD with your LTD premium remittance that includes the employee's first premium deduction.

Provide the employee with a description of LTD coverage by directing them to the LTD pamphlet in the Employee Benefits Folder and the PEBD website address:

http://www.gnb.ca/employee\_benefits



Participation in the LTD plan is mandatory for all eligible employees.

## Plan Participant Maintenance

Salary Adjustment	Some payroll systems automatically adjust premiums when sala changes become effective on payroll. If your payroll system requires manual adjustment, please refer to section 4.2 for instructions of calculating LTD monthly contributions.	a
	Note that retroactive salary adjustments are to be excluded from premiu adjustments. See Guide section 4.2.2 for the definition of Salary.	m
Changes in Employment Status	If an employee experiences a change in employment status that initiate eligibility, the enrolment card must be completed within 31 days of the da he/she became eligible for the LTD benefit. LTD coverage will begin on the first day of eligibility, provided the employee is actively at work.	te
Temporary Assignment	LTD benefit contributions are determined according to the employee statuting their <i>regular</i> position, not the one to which they are temporarily assigned.	
Example	A regular part-time employee who moves temporarily to a full-time position retains LTD coverage with coverage and monthly contributions based of the part-time status. Similarly, when a full-time employee temporari moves to a part-time position, coverage and monthly contributions a based on the full-time status.	on ily



In order for changes in coverage or benefit changes to take effect, the employee must be actively at work.

4.	Premium Contributions
4.1	Premium Remittance Process4.1.1General Information4.1.2In the Event of a Strike4.1.3Waiver of Premium
4.2	Calculating LTD Monthly Contributions 4.2.1 Group Rates 4.2.2 Benefit Amount 4.2.3 Salary 4.2.4 Benefit Formula 4.2.5 Benefit Maximum
4.3	Part-time Eligible Employees
4.4	Pre-retirement & other Alternate Arrangements
4.5	Leave of Absence
4.6	Premium Contributions for Employees on Gradual Return to Work (RTW) Program 4.6.1 Premium Contributions 4.6.2 Return to Work

This section provides detailed information relating to the time-sensitive process of calculating, collecting and remitting premium contributions.

If you have questions or need further clarification on this section, please contact PEBD at (506) 453-2296 or Toll Free in Canada at 1 800-561-4012.

### Premium Remittance Process

#### 4.1.1 General Information

Important Notes Payroll deductions for the LTD Plan must begin within <u>31 days</u> following the employee's date of eligibility in the Plan, if the employee is actively at work. If the employee is on approved leave without pay on the date of eligibility, payroll deductions must begin when the employee resumes active employment.

- Premium payments <u>must</u> be submitted to PEBD by the 15<sup>th</sup> of each month, and must be paid in advance of the month of coverage. For example, premiums deducted from January payroll are for February coverage, and would be due to PEBD by February 15<sup>th</sup>. At the end of each payroll cycle, the employer is responsible for submitting a payroll file to PEBD. Contact a Benefit Counsellor at PEBD if you have any questions.
  - A full month of premium is required, regardless of the employee's commencement date.
  - If the premium deduction did not begin within the first month of eligibility, it must be deducted retroactively on the next payroll deduction period.
  - Employees must pay the full cost of the LTD premiums. Employer premium contributions could jeopardize the tax-exempt status of the LTD Plan.
  - Premium overpayments via payroll deductions must be refunded to the employee by the employer. Overpaid premiums remitted to PEBD from employees on Leave Without Pay (LWOP) will be refunded by PEBD. Premium payments that have been paid directly to PEBD by the employee and could be subject to a waiver, dependent on the approval of a claim, will be refunded by PEBD within six (6) weeks of receipt of the LTD benefit approval letter from MBC.

When remitting premium payments to PEBD, ensure that they match the corresponding payroll file. Any premium adjustments that have occurred after the payroll file has been submitted must be adjusted in the following month.

4.1.2 In the Event of a strike Coverage is suspended when an employee participates in a strike and resumes when the employee reports back to work – unless there is an agreement in place that states otherwise. This agreement is initiated by the union with a letter to Labour Relations, indicating that the union will remit premiums so that coverage may continue during the strike period.

### 4.1

**Premium Contributions** 

## 4.1 (Cont'd)

#### **Premium Remittance Process**

4.1.3 Waiver of Premium (WOP) Employees approved for Long Term Disability benefits are eligible for Waiver of Premium (WOP) benefits, which allow for the continuation of benefits at no cost to the employee for a specified period of time. The WOP benefits are administered by PEBD and begin after LTD approval.

Details of the benefits approved for WOP, including coverage, effective dates and maximum benefit periods are detailed in a letter (WOP letter) that PEBD sends to the employee, (copy to the employer), following approval of the LTD Claim.

Other than during a Gradual Return to Work arrangement it is not intended that employees receive WOP benefits <u>and</u> salary at the same time. Please advise the Claims Administrator or PEBD if this occurs.



Premium Deductions and Refunds The employee must pay their LTD premiums during the 4-month qualifying period in order to qualify for WOP benefits.

If the employee is on paid leave on the date of benefit approval, the WOP approval letter allows for the discontinuation of monthly premium deductions based on the approval date and benefit plans specified by PEBD, or the date the Employee's paid leave ceases, if later. The employer is responsible for refunding overpaid monthly premiums that have been deducted via payroll.

If the employee is not on paid leave at benefit approval time, and he/she has been paying monthly premiums directly to PEBD, overpaid monthly contributions will be refunded by PEBD from the Plan funds.



Workers' Compensation Benefits (WCB) The maximum refund is 12 months of contributions. This applies even if the WOP approval/effective date warrants more than one year of monthly premiums.

Employees who qualify for benefits under the *Workers' Compensation Act* should submit an application for WOP benefits. The limitation for an application is extended to 30 months following the date of disability in order to provide LTD filing protection in the event that Worker's Compensation Benefits end and an LTD claim is needed. **However, to** facilitate the start of the WOP benefit, the claim should be submitted as soon as possible after the date of disability.

4.1 (Cont'd)	Premium Remittance Process
Gradual Return To Work (GRTW)	WOP benefits will continue during any period the employee returns to work on a reduced work schedule under a rehabilitation program that has been approved by MBC. Premium contributions <u>are not</u> to be reinstated until the employee has returned to active full-time employment; or, if earlier, upon notification that the LTD claims is closed. The <u>employer</u> is responsible for reinstating Health and Dental benefits through MBC and reinstating all other benefit contributions through payroll deductions, upon receipt of a letter from PEBD that provides benefit reactivation dates.

If the employee is temporarily assigned to a different bargaining unit for the purposes of the GRTW program, report their pre-disability bargaining unit code when reporting their earnings for payroll purposes, not the one to which the employee is temporarily assigned.

4.1 (Cont'd)	Premium Remittance Process
Benefit Plans with WOP Provisions	The following plans, administered by the Province of New Brunswick, have WOP provisions:
Not applicable to Nurses in Nursing Homes	<ul> <li>LTD Insurance</li> <li>Group Life Insurance</li> <li>Accidental Death &amp; Dismemberment (AD&amp;D) Insurance</li> <li>Health, Dental &amp; Travel Plans</li> </ul>

Maximum WOP Benefit Periods When the WOP maximum benefit period is approaching, PEBD will notify the employee and employer, in writing, when the WOP benefits will expire. Maximum Benefit Periods are detailed in the chart below.

Benefit Plan	Maximum WOP Benefit Period / WOP Benefits End		
LTD	For dates of disability that occurred prior to April 1, 2014:		
	Earlier of:		
	<ul> <li>Age 60 if EE was contributing to a pension plan that provides for pensionable service while in receipt of LTD benefits; or</li> </ul>		
	When EE reaches age 65		
	For dates of disability that occur on or after April 1, 2014 <i>:</i>		
	• Age 65		
Group Life	Basic & Supplementary: When EE reaches age 65		
Dependent Life	When EE reaches Age 65		
AD&D	Basic, Supplementary & Voluntary: When EE reaches Age 65		

# 4.1 (Cont'd)

## Premium Remittance Process

Maximum WOP Benefit Periods

Benefit Plan	Maximum WOP Benefit Period / WOP Benefits End		
NB Pension (Plans with provision for pensionable service continuation while in receipt of LTD benefits)	Waiver of pension contributions ends when the LTD benefits end (see section 8.6)		
Health/Travel and Dental	24 months after the WOP approval date or age 65, if earlier.		
	The coverage for an EE who is disabled should be transferred back to the Employee Plan(s) by the employer.		
	If the EE is terminating employment, coverage should be transferred to the Retiree Plan.		
	Note: When Paid Sick Leave causes a benefit Effective Date to differ from the benefit Approval Date, a shorter WOP benefit period results. See example below.		

### Example

Applying the Health and/or Dental Maximum Benefit Period

Disability Start Date (DSD) End of Paid Sick Leave	Nov 3, 2007 Jun 9, 2008	
WOP Approval Date WOP Benefit Effective Date		(4 months following DSD) (Paid Sick Leave applied)
Eligible WOP benefit period: Actual WOP benefit period:		Feb 2010 (24 months) to Feb 2010 (21 months)

## 4.1 (Cont'd)



When the employee returns to work, his/her coverage under the WOP policy number terminates. It is the employer's responsibility to reactivate the employee's coverages through the commencement of payroll deductions. Note however, that the Health and Dental coverage must be reactivated under the original Health and Dental policy number through MBC. For more information or for assistance in reactivating coverage, contact MBC directly.

## Calculating LTD Monthly Contributions

Monthly contributions are calculated based on the employee's:

#### Group Rate x Benefit Amount / 100 = Monthly Contribution

4.2.1The LTD Plan has three divisions with different rates: Nurses, CUPE 1251<br/>and General. If you do not know the current group rate for employees in<br/>your organization, please contact PEBD.

**4.2.2** The amount of monthly benefit that is paid to an employee upon approval of their LTD claim is calculated based on the employee's monthly **Salary** and the plan's **Benefit Formula**, as follows:

4.2.3 Salary

This is the employee's <u>gross</u> monthly salary received from the employer, including:

- acting pay
- education increment
- responsibility allowance
- penological allowance

#### but excluding:

- overtime (for part-time employees hours worked and paid above the regular work schedule are excluded)
- · clothing and transportation allowances
- standby/recall
- shift differential
- retroactive salary payments

To calculate Monthly Salary use the following formula: Bi-weekly salary x 26 pay periods / 12 mo. = Monthly Salary. Do not change the formula to account for 27 pay periods.

Premium Contributions

4.2

4.2 (Cont'd)	Calculating LTD Monthly Contribut	ions		
4.2.4 Benefit Formula	60% of first \$2500 monthly Salary PLUS (+)			
	50% of the next \$2250 monthly Salary			
	PLUS (+)			
	<u>40% of remaining monthly Salary</u> = LTD Benefit Amount			
4.2.5 Benefit Maximum	\$12,000 per month of benefit			
Examples	LTD Benefit Calculation Examples	1	2	3
	Assume Monthly Salary:	\$1,700	\$4,000	\$5,200
	60 % of first \$2,500 Monthly Salary	\$1,020	\$1,500	\$1,500
	PLUS (+)	+	+	+
	50 % of the next \$2,250 Monthly Salary	\$0	\$750	\$1,125
	PLUS (+)	+	+	+
	40 % of remaining Monthly Salary	\$0	0\$	\$180
	= LTD Benefit Amount	\$1,020	\$2,250	\$2,805
	LTD Premium Calculation Examples	1	2	3
	LTD Benefit Amount	\$1,020	\$2,250	\$2,805
		Х	Х	X
	Rate = \$1.84 per \$100 of Benefit Amount	\$0.0184	\$0.0184	\$0.0184
	Monthly Premium Contribution	\$18.77	\$41.40	\$51.61
# Part-time Eligible Employees

Regular Schedule	Eligible part-time employees receive coverage and pay contributions according to their "regularly scheduled" work arrangement. No adjustment is made for additional hours worked, or for time not worked, during the pay period. Coverage/contributions do not change unless there is a change in the salary rate, or a change in the percentage of time <u>regularly</u> worked.
Example	If a part-time employee is hired to work 50% of full-time, his/her LTD coverage and contributions would be based on the salary equivalent to 50% of the full-time salary.
Temporary Assignment	LTD benefit contributions are determined according to the employee status in their <i>regular</i> position, not the one to which they are temporarily assigned.
Example	A regular part-time employee who moves temporarily to a full-time position retains LTD coverage with coverage and monthly contributions based on the part-time status. Similarly, where a full-time employee temporarily moves to a part-time position, coverage and monthly contributions are based on the full-time status.

4.3

#### Pre-retirement & other Alternate Arrangements

The following pre-retirement or flexible work arrangement examples are only a sample of these programs. Please consult a Benefits Counsellor for instructions on other alternate work arrangements.

DeferredDuring the salary deferral period, the employee's LTD coverage and<br/>monthly contributions are based on full salary rate (as if a portion of salary<br/>was not deferred).

During the leave period, employees have the option to continue LTD coverage for up to 12 months. LTD coverage and monthly contributions reflect full salary rate in effect immediately prior to commencement of leave.

Phased For employees participating in Phased Retirement, LTD coverage and monthly contributions are based on work-related income only and excludes the pension pre-payment amount. To this date, phased retirement is a benefit provision only under the Pension Plan for Certain Bargaining Employees of NB Hospitals (CBE).

Pre-retirement For full-time employees who change to part-time within 5 years of retirement, the employee's LTD benefit amount and monthly contributions are based on the part-time salary. Currently, this arrangement is available to *PSSA* pension plan members, as well as certain members of the *Teachers' Pensions Act* (TPA) pension plan and some members of the CBE pension plan, depending on the collective agreements.

4.4

#### Leave of Absence

Conditions for continuing LTD coverage for employees on approved leave of absence vary by type of leave.

Leave withThe employee's monthly contributions must continue, and the employeeFull Paywill remain covered during the period of absence based on the salary paid<br/>during the leave.

Leave with<br/>Partial PayThe employee's monthly contributions must continue and the employee<br/>will remain covered during the period of absence based on the full salary<br/>that was in effect immediately before the leave.

Leave For a period of leave lasting less than 30 days, the employee's monthly contributions must continue, and the monthly contribution is based on the full month's salary.

For a period of leave lasting 30 days or more, the employee has the *option* to continue or to discontinue coverage.

As soon as the employee has been approved for a leave without pay:

- The employee must complete the Continuation of Employee Benefit Coverage – Leave of Absence Without Pay / Lay off form.
   \*\* Please remind the employee to sign, date & initial their options on the form, whether or not coverage is continued.
- 2) The employer must retain a copy of this form for their records.
- 3) If the employee chooses to <u>discontinue coverage</u>, the employer must submit the completed **Continuation of Employee Benefit Coverage** – Leave of Absence Without Pay / Lay off form to PEBD, terminate the employee's coverage by removing them from the payroll file, discontinue premium deductions and notify the employee that coverage will be reinstated when they return to work.

**Note:** Since LTD premiums are paid in advance of the month of coverage (e.g., February premiums are for March coverage), premiums deducted in the last month of work is applied to provide coverage for the first month of return to work.

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Process to Follow When Discontinuing Coverage

#### 4.5 (Cont'd)



Premium Remittance Process when Continuing Coverage Please ensure the employee understands that LTD premium payments must continue during the 4-month Qualifying Period. Also, for benefit plans that have WOP provisions, he/she is effectively waiving his/her right to the WOP benefits if the decision has been made to discontinue coverage during the 4-month Qualifying Period.

4) If the employee chooses to <u>continue coverage</u>, the employer must remove the employee from the payroll file, obtain premium cheques or money orders from the employee, and submit to PEBD along with the completed **Continuation of Employee Benefit Coverage – Leave of Absence Without Pay / Lay off** form.

**Note:** Premium cheques for Group Life, AD&D and LTD should be submitted to PEBD and the Health and Dental premium cheques should be sent directly to MBC.

5) Monthly premium cheques or money orders can be submitted to PEBD each month with a copy of the Continuation of Employee Benefit Coverage – Leave of Absence Without Pay / Lay off form; OR the employee can provide post-dated cheques that can be attached to the original Continuation of Employee Benefit Coverage – Leave of Absence Without Pay / Lay off form.

Cheques or money orders for the full (employer and employee) monthly premiums are to be made payable to the Minister of Finance, with the exception of Health & Dental premiums, which are to be made payable to Medavie Blue Cross.

We highly recommend that the employer take responsibility for obtaining and submitting the premium cheques on the employee's behalf. This will ensure that documentation is available if the cheques are misplaced, or are not received at PEBD within the allotted time frame.



It is critical that premium payments are submitted to PEBD in advance of the month of coverage. Otherwise, coverage is terminated, and will not be reinstated until the employee returns to regular employment. Retroactive payments will not be accepted.

#### 4.5 (Cont'd)

#### Leave of Absence

Maximum Period of Coverage The maximum period of coverage available varies by type of approved leave as follows:

Type of Leave (Without Pay)	Maximum Period for Continuation of LTD Coverage
Sickness/Injury	Entire duration of absence
Adoption/Childcare/Maternity *	Entire duration of leave (up to 12 months)
Sabbatical	12 months
Educational	12 months
Entrepreneurial	12 months
Deferred Salary Leave	12 months
General Leave	12 months
Summer-off Leave	2 months

Note: Premiums must continue for employees on leave with full or partial pay.

\* Maternity Leave Although employees taking a Maternity Leave have the option to discontinue coverage, the employer should <u>strongly recommend</u> that the employee continue her coverage as she is at a higher risk of disability preand post-delivery. If she chooses to discontinue coverage, the employer should stress that she will not be eligible for benefits for a disability that begins during any period for which premiums have not been paid.

	Describes Constributions for EE's as Ore dual DTM Description
4.0	Premium Contributions for EE's on Gradual RTW Program
	3

4.6.1 Premium Contributions	Since the employee is still eligible for Waiver of Premium benefits while they are participating in a Gradual RTW program, the employer must not reactivate the employee's premium deductions until the employee returns to regular employment.
4.6.2 Return to Work	When the employee has successfully returned to work, the employer must, upon receipt of a letter from PEBD that provides benefit reactivation dates:
	• Re-activate the employee's Health & Dental benefits directly with MBC, and begin payroll deductions
	• Re-activate all the other benefits through commencement of payroll deductions

5.	Claim Application Procedure
5.1	Employer's Claim Application Roles & Responsibilities
5.2	The Application Process
	<ul> <li>A Claim Application Guide for Employers</li> <li>Important Notes on Completing the Employer Statement</li> <li>LTD Claim Process Flow Chart</li> <li>LTD Claim Checklist</li> </ul>
	A Claim Application Guide for Employees (see Appendix D)
5.3	Appeal Process
5.4	Frequently Asked Questions

This section is intended to provide you with a straightforward and systematic method of assisting your employee in applying for Long Term Disability (LTD) benefits. By following this guide, you will help reduce the chances of any interruption in income to your employee.

If you have questions, or need further clarification on this section, please contact Pensions and Employee Benefits Division (PEBD) at 506-453-2296 or call us Toll Free in Canada at 1-800-561-4012.

# Employer's Claim Application Roles & Responsibilities

Provide Information	Your role is to ensure proper dissemination of information and an efficient claim submission process by carefully following the LTD Claim Checklist for Employers. Once completed, keep a copy of the checklist in each employee's file for future reference.
	According to a study performed by the Ontario Medical Association, "an individual has a 50% probability of return to work after six months on disability leave, 20% after 1 year and only 10% after 2 years" <sup>1</sup> In light of these statistics, the most important thing you can do to facilitate a safe and timely return to work is to develop a follow-up system that will enable you to maintain regular contact with your disabled employee regarding his/her intention to apply for LTD benefits; and to offer the employee support when possible.
Open Communication	The success of the LTD claim process relies heavily on open communication and collaboration between you and the employee, as well as with the employee's Manager, HR Consultant and the Disability Claims Specialist at Medavie Blue Cross (MBC). By maintaining open communication at all times, you can help avoid unnecessary delays, frustrations and misunderstandings.
Reintegration into the Workplace	Experience shows that reintegration is a vital step to a healthy recovery and helps minimize some of the consequences of disability, such as loss of self- esteem, of a sense of belonging, and of pride in contributing to the workplace. The return to work must be carefully planned, and requires cooperation between you, the employee, the Disability Claims Specialist or Rehabilitation Consultant, and the employee's physician.
Duty to Accommodate	Employers and unions are required to make every reasonable effort to accommodate the employee by removing barriers and implementing the necessary measures to allow for the employee's successful integration or reintegration into the workplace, short of undue employer hardship.
	With respect to advice on such matters as Duty to Accommodate and undue hardship, employers should base their HR policies on legal advice. The source of this, for many Public Service employers, is the Employment and Administrative Law Group within Legal Services, Department of the Office of Attorney General.

<sup>&</sup>lt;sup>1</sup> Alice Dong, et al., Ontario Medical Association Committee on Work and Health, Mental Illness and Workplace Absenteeism: Exploring Risk Factors and Effective Return to Work Strategies [online]. (Toronto:Ontario Medical Association), [cited March 27, 2005].

#### Application Process: Claim Application Guide for Employers

Introduction

What follows, are tools that have been created to help streamline the claim process. By using these tools, you will reduce the chance of interruption in income to your employee.

If your employee has been absent from work for two months; and it appears that his/her absence may extend beyond the four-month qualifying period, you should initiate contact with your employee to review the claim process requirements. These requirements are outlined in the **LTD Claim Checklist**. Also, this is also available in a flow chart (see Appendix B & C). We strongly suggest that you use these references during your initial meeting with your employee; and that you keep a copy of the completed checklist in the employee's file for future reference.

When should the EE apply for benefits?



#### What forms should I give to the EE for completion?

In order to prevent a gap in the employee's income, and prevent unnecessary delays in the assessment of his/her claim, we strongly suggest that the employee submit his/her completed application to PEBD <u>no later</u> than the 8<sup>th</sup> or 10<sup>th</sup> week of disability, regardless of whether or not he/she will remain on sick leave.

LTD claim forms must be received at PEBD within 10 months following the Date of Disability, which is usually the day after the employee's last day worked. If the employee is entitled to receive benefits under the *Worker's Compensation Act*, a claim (for WOP only) must be received at PEBD within 30 months following the date of disability. The Plan is not liable for benefit payments if a claim is not received within the required timeframe.

It is your responsibility to provide your employee with the following forms that he/she must complete and submit directly to PEBD:

- Employee Statement (Form 25-1739)
- Attending Physician's Statement (Form 25-1738) The employee is responsible for any fees his/her doctor charges for completion of forms or for providing medical reports.
- ☐ If the nature of the disability might qualify the employee for a Critical Illness benefit, provide the employee with the Critical Illness claim form along with the LTD claim form package.

### 5.2 (Cont'd) Application Process: Claim Application Guide for Employers

**Note**: We recommend pre-packaging these forms in a convenient envelope that can be mailed to employees. This envelope should include a copy of the **Claim Application Guide for Employees** (See Appendix D of this Guide), as well as a copy of the LTD coverage pamphlet, which can be ordered from PEBD or found online at the following web address:

http://www.gnb.ca/employee\_benefits

What do I<br/>need toIt is your responsibility to complete and submit the following forms to PEBD<br/>as soon as the employee Claim Package has been provided to the<br/>employee:

A fully-completed Employer Statement (Form 25-1745)

□ A copy of the employee's Job Description

Submit these documents, without delay, directly to PEBD at the following address:

Pensions & Employee Benefits Division PO Box 6000 Fredericton, NB E3B 5H1

Do not wait until the employee has submitted his/her forms to complete and submit your documentation. Completion and submission of the employee's forms is his/her responsibility. As soon as PEBD receives the employer's documentation, all forms will be mailed to MBC for review, and the claim will be set up.

To assist you in the completion of the Employer Statement, Section 5.2.1 provides you with a sample statement, with areas that most commonly cause delays in claim assessment highlighted. The best thing you can do to help prevent delays is to ensure that all sections are fully completed. If you have any questions regarding the completion of these forms, please call 1-800-561-4012 to speak to a Benefit Counsellor at PEBD.

5.2 (Cont'd)	Important Notes on Completing the Employer Statement
Page 1	Brunswick
	Complete and return to: Pensions and Employee Benefits Division (PEBD) Department of Human Resources, P.O. Box 6000, Fredericton, NB E3B 5H1 Telephone: (506) 453-2296 Toll Free in Canada: 1-800-561-4012 Fax: (506) 457-7388
	Please print.     A. General Information:
	1) Name of Employee         (First)           2) SIN:         -
	3) Date of Birth D M Y
	4) Address:
	5) Telephone Number - at home: ( ); at work: ( )
6. Report last day → EE was physically	B) Date employee last worked – immediately before disability started:     D M Y
at work.	B. Position & Salary:
	7) Employment Start Date:
	9) Occupation/Position:
	10) Position Status: full-time/regular; part-time/regular; other, describe:
	11) Does the employee participate in: Dhased Retirement Work Time Flexibility (5 years pre-retirement) N/A
	12) Hours worked in a week (weekly average if shift work):
	13) Income Tax Code as per current TD1 form:
	C. Other Disability Benefits/Income:
14. Report the last → date EE received pay (e.g., sick leave, vacation pay) If the date is not known, contact EE to discuss. Notify PEBD of any subsequent	(14) Has employee requested/received employer-paid leave as income continuance beyond the last day worked/start of disability?         Yes       No       If yes, how many sick days and/or vacation days
	If yes, indicate date ending period of paid leave as understood with employee:
	D M Y This date must be completed. If date changes, a note or email must be sent to PEBD.
	15) Is employee's condition due, or related, to occupational illness or accident (past or present)?
	16) Has a claim been filed under the Workers' Compensation Act?
changes to this date. See FAQ section for more details.	a) If yes, are benefits payable? Yes Decision Pending No b) If yes, amount \$ paid bi-weekly monthly; from D M Y to D M Y

(continued on reverse) 25-1745 (6/14)

# 5.2 (Cont'd)

# Important Notes on Completing the Employer Statement

Page 2	17) If applicable, indicate dates and number of hours (for each day) employee worked during the 4-month qualifying period (from date indicated in No. 6 above):
	18) Describe any efforts made to accommodate employee (e.g. transitional work duties/work schedules, special equipment, etc.):
	D. Claim Admissibility: 19) Date employee's LTD coverage started:
20. If EE maintains	20) Latest monthly premiums/contributions paid for employee's coverages:(month/year)  Premiums/contributions, with respect to requested benefits, must be paid for the 4-month qualifying period from date of disability.  Note: Employee benefit premiums/contributions must continue while employee on paid leave.
obtain postdated premium cheques	21) If employee has Health and/or Dental coverage (Blue Cross), please complete the following:
from EE & keep	Policy# Identification #Premiums paid to:(month/year)
copies in your file.	E. Employer Information:
Then mail originals to PEBD without	22) Name of Employer Organization:
delay.	23) Representative's Name:
OF Devil (second second	24) Tel.: ( )e-mail address:
25. Don't forget → to sign & date	25) Representative's Signature: Date:
the form.	F. FOR PEBD USE
	1) Employee's date of: a) eligibility/enrolment in LTD Plan:
	2) Date above corresponds with (check all that apply):
	Start of employment Change in employment status Plan implementation for employee's group
	Approval Late Application for LTD coverage
	3) Coverage continued/to continue during qualifying period? Yes No
	4) Plan/Policy Number 5) Division
	6) PIBA Bargaining Unit Code: 7) Gross Monthly Salary: \$
	8) Monthly LTD Benefit: \$ 9) Maximum Benefit Period:
	For Waiver of Premium Only: Life Coverage: \$ Supplementary Life: \$ Dependent Life (Y/N)
	Authorized by Date

25-1745 (6/14)



## 5.2 (Cont'd) Long Term Disability Claim Process Flow Chart

#### When EE is approved for LTD benefits/ Waiver of Premium benefits:

Discontinue payroll deductions and refund any necessary overpaid monthly contributions/premiums.

#### When EE returns to work during rehabilitation:

Report EE's earnings during GRTW program.

Do not reactivate payroll deductions for benefits that are approved for WOP.

Advise PEB immediately of potential Recurrent Claim. See section 6.5 of this Guide for more information.

Advise EE of Recurrent Disability claim procedures. See section 6.5 of this Guide for more information.

Legend: GRTW – Gradual Return to Work RTW – Return to Work If employee terminates employment:

Advise EE of the following:

1) Pension Benefit Options

2) Transfer Option to Retiree Health, Dental & Travel (if applicable).

Use this checklist when an employee is on an approved Leave of Absence for reasons of disability (health or injury) and will be applying for Long Term Disability (LTD) benefits.

# ✓ When employee has been on leave for 8-10 weeks, or as soon as it is known that employee will be on leave for more than four months:

$\checkmark$	Date	
1. 🗆		Contact employee to discuss the eventuality of applying for LTD benefits.
2. 🗆		Discuss LTD claim forms and procedures with employee; contact a Benefits Counselor at Pension & Employee Benefits (PEBD) of DHR for questions on claim procedures.
3. 🗆		Provide the Employee Statement and Physician Statement forms to the employee (Claim forms can be obtained from website).
	** If e	mployee has 4 months of paid leave, skip to #11**
4. 🗆		If the <u>employee intends to submit a claim</u> and does not have four months of paid leave (i.e., pay cheques from which LTD contributions continue to be deducted) advise employee that he/she <u>must pay LTD</u> <u>monthly contributions</u> for the four-month qualifying period (the period before LTD benefits are payable for an approved claim).
		The employee need not pay LTD monthly contributions for more than the four-month qualifying period from the Date of Disability for the claim to be accepted by the Claims Administrator for adjudication. The Date of Disability is usually the last day employee worked before disability started.
5. 🗆		If a period of leave <u>without</u> pay has been approved, discuss with employee the option of continuing other benefits (e.g., Group Life, AD&D, Health & Dental Plans) while on leave without pay.
		<u>To qualify for waiver of premium benefits</u> , should the LTD claim be approved, payment of contributions/premiums for the other benefit plans must continue during the four-month qualifying period. With LTD approval, waiver of premium applies to only the benefits plans that employee <u>continued to pay</u> during the four-month qualifying period.

$\checkmark$	Date	
6. 🗆		Keep/file confirmation of employee's option to continue (or not to continue) other benefits for the period of leave of absence without pay. Use <i>Continuation of Employee Benefits</i> form, signed by the employee. <u>IMPORTANT</u> : In either case, the form used to indicate employee's decision to continue or not to continue benefits while on leave without
		pay must be completed and signed by the employee.
7. 🗆		Explain to employee how to remit payment of contributions/premiums to PEBD when employee on leave without pay.
8. 🗆		Send to PEBD, without delay, any cheques or money orders left with you by employee for payment of contributions/premiums while on leave without pay.
9. 🗆		Employer to continue cost sharing of benefits while employee on leave with pay; and, at least, for the four-month qualifying period if employee on leave without pay.
10.□		Advise and assist employee in claiming EI Disability Benefits should employee exhaust paid leave credits before LTD approval.
11.□		Discuss with employee their choice to use paid sick leave credits beyond the four-month qualifying period, in lieu of LTD benefits. The expected duration of disability, age and potential for return to work are key considerations. For example, if employee is expected to return to active employment, it is not advisable to use paid sick leave credits beyond the four-month qualifying period.
		<b>IMPORTANT</b> : employee does not have to exhaust all accumulated sick leave credits before collecting LTD benefits.
12.□		Complete the Employer Statement. Contact a Benefits Counselor for any questions on completing the form.
13.□		<ul> <li>If information completed on the Employer Statement is submitted and subsequently changed, advise PEBD by letter or email of the amended information without delay – most particularly:</li> <li>When employee requests further paid leave (sick/vacation credits) before LTD benefits are payable.</li> </ul>
		If the employee worked days/hours in addition to the information already indicated on the Employer Statement.

$\checkmark$	Date	
14.□		Send the Employer Statement and the employee's job description to PEBD, without delay.
		Note relative to the Protection of Personal Information Act (POPIA): employee may choose to send their Attending Physician's Statement (and other medical reports) directly to PEBD or Medavie Blue Cross.
15.		Advise employee of time limit for filing of claim.
		<b>IMPORTANT:</b> LTD claim forms must be received at PEBD within 10 months following Date of Disability, at the latest.
		The Plan is not liable for benefit payments if a claim is not received within the required time.

**Note:** If the employee is entitled to receive benefits under the *Workers' Compensation Act*, a claim (for waiver of premium only) must be received at the PEBD within 30 months following the Date of Disability.

# When employee is approved for LTD Benefits/ Waiver of Premium Benefits:

PEBD will send to employer copy of employee's approval letter describing the benefits under waiver of premium. Contact PEBD for updates on employee's claim status.

$\checkmark$	Date	
		Discontinue payroll deductions and refund overpaid monthly contributions/premiums based on the employee's letter from PEBD outlining the Waiver of Premium benefits and the approval dates.
		PEBD will refund overpaid contributions/premiums that employee paid directly to PEBD.
		<u>Maximum the LTD Plan will refund</u> : overpaid contributions up to 12 months.

# $\blacktriangleright$ When employee returns to work during rehabilitation:

When recommended by the Claims Administrator in consultation with the employee's Physician, the Rehabilitation Specialist at MBC, with the co-operation of the employee and the assistance of his/her physician, Union and the employer, will develop the rehabilitation plan.

**IMPORTANT:** Accommodation efforts from all parties, including employer, Union, employee and Physician, are important for a progressive and successful return to work.

$\checkmark$	Date	
		Report employee's earnings during the gradual return to work/rehabilitation program to the Claims Administrator on a regular basis, <u>as soon as the information is available.</u> The amount of 'rehabilitation' earnings is used to calculate the employee's LTD monthly benefit. (The benefit is reduced by 50% of the earnings.)
		Do not put the employee back on regular payroll with deductions for benefits that are under waiver of premium. Waiver of premium continues while employee is approved on LTD, including gradual return to work programs recommended or approved by the Claims Administrator.
		Advise PEBD immediately if employee becomes totally disabled again within six months of return to work and end of LTD payments (for same or directly-related cause) by sending a written confirmation (letter or email) of employee's last day of work before disability reoccurred and last day of paid earnings.
		Advise employee that he/she must send a letter (or email) to MBC, with copy to PEBD, to request that the claim be reopened. MBC will advise employee of any required medical information. If total disability reoccurs later than six months of return to work and end of LTD payments, the disability is considered a new claim. The four- month qualifying period applies and a new claim would be presented.

# ➢ If employee terminates employment:

$\checkmark$	Date	
		Ensure employee on LTD is advised of the following before employment is terminated.
		• Pension benefit options, including purchase of any eligible period of service.
		<ul> <li>Transfer option (if applicable) – to Retiree Health, Dental and Travel Plans.</li> </ul>
		If the employee terminated employment before termination of LTD and waiver of premium benefits, PEBD will offer employee the option to convert Group Life Insurance and information on their other benefits.

See the LTD Coverage /pamphlet from the Employee Benefits Folder for a description of the coverage; or visit our web site at <u>http://www.gnb.ca/employee\_benefits</u>

#### **Appeals Process**

There are two levels of appeal available to claimants who do not agree with a decision that has been made by the Medavie Blue Cross (MBC) Claims Adjudicator with respect to an application for LTD benefits.

**Note:** MBC provides a detailed explanation of this process in a letter to the employee.

#### Level 1 Review of new information by the Director of Case Management Services, Manager or another senior member of the Case Management Team at MBC.

- Notice of intent to appeal must be forwarded to the MBC Claims Adjudicator within 30 days from the date of the denial letter.
- The claimant must provide new information within 90 days from the date of the denial letter. New information that will be accepted for review consists of new medical information from medical providers (not previously reviewed); or a written statement outlining the circumstances and the basis of appeal.

# Level 2 Review of new information by the Special Appeals' Committee. This committee includes an independent manager of Case Management Services along with a senior disability consultant, not at MBC, but at Blue Cross Life.

- Notice of intent to appeal must be forwarded to the Claims Adjudicator (MBC) within 30 days from the date of the Level 1 appeal denial letter.
- The claimant must provide new information within 90 days from the date of the Level 1 appeal denial letter. New information that will be accepted for review consists of new medical information from medical providers (not previously reviewed); or a written statement outlining the circumstances and the basis of appeal.
- The claimant will be advised of the decision within 30 days of receipt of all outstanding information required in order to complete the assessment. The decision will be communicated by telephone, followed by a letter outlining the basis for the approval or the denial of the appeal.

5.3

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· · · · · · · · · · · · · · · · · · ·	Frequently Asked Questions

Question: When do I discontinue payroll deductions for benefit contributions?

- Answer: As soon as you are notified by PEBD that the employee is approved for Waiver of Premium (WOP), you should discontinue payroll deductions for the benefits for which the employee is eligible for WOP and reimburse premium overpayments, if applicable.
- Question: Who should I contact when the employee returns to work?
- Answer: In order to avoid benefit overpayments, it is very important that you advise MBC immediately when the employee returns to work.
- Question: Should I review all of the employee's documentation to obtain missing information before it is submitted to PEBD?
- Answer: No. Reviewing the Employee Statement and/or the Attending Physician's Statement, and keeping copies for HR records is a breach in confidentiality. The employee should be instructed to submit these documents directly to PEBD.
- Question: Re. Question 14 on the Employer Statement: Has employee requested employer-paid leave as income continuance beyond the last day worked/start of disability -- where he/she does not know if he/she will use it, what date should I insert on the form?
- Answer: We recommend using the date that brings the employee to the end of the 4month qualifying period, and note that the date could change. This note will prompt MBC to confirm the last date the employee received pay prior to issuing any benefit payments. At that point, if a decision on the claim has not been rendered, the employee can re-evaluate and decide if he/she would like to extend his/her paid sick leave. Note that PEBD must be notified of any changes to this date.
- Question: If an employee purchases sick time, how does the buy-back affect their LTD claim?
- Answer: If the employer has permitted the employee to purchase sick leave credits (e.g. buy-back sick time) the employee should be advised that in doing so there are no changes to:
  - The LTD benefit payment effective date
  - The Waiver of premium effective date
  - The LTD monthly benefit amount

In addition, if monthly LTD benefits have already been paid there will be no retro-active benefit payment adjustment, and there is no refund of premiums.

It is the employer's responsibility to make financial arrangements for buying back sick time.

# 5.4 (Cont'd) Frequently Asked Questions

#### **Question:** Should I ever discourage an employee from applying for LTD?

- Answer: No, to the contrary, you should recommend that your employee submit his/her completed application to PEBD <u>no later</u> than the 8<sup>th</sup> or 10<sup>th</sup> week of disability, regardless of whether or not he/she will remain on sick leave. This will help prevent a gap in the employee's income, and prevent delays in the assessment of his/her claim.
- Question: If I want to find out the status of an employee's claim, who do I contact?
- Answer: To find out the status of a claim, you or your employee should contact MBC directly, at its toll free in NB 1-877-247-5055, or toll free outside NB / in Canada 1-800-667-4511.
- Question: If the employee has paid sick leave beyond the 4-month Qualifying Period, what should he/she consider when determining whether or not he/she should use this sick leave beyond the Qualifying Period?
- Answer: It is tempting for the employee to use sick leave beyond the Qualifying Period in order to receive 100% of salary further into the duration of his/her total disability. Here are some considerations:
  - The 24-month maximum eligibility period for Health & Dental coverage WOP benefit begins immediately following the Qualifying Period, regardless that the employee has elected to use sick leave. Therefore, for example, if the employee elects to use one month of sick leave post-Qualifying Period, Health & Dental premiums will be waived for the remaining 23 months, only.
  - By the same principle as above, the 24-month period that the employee is deemed to be totally disabled from his/her <u>own</u> occupation begins immediately following the Qualifying Period, regardless that the employee has elected to use sick leave in lieu of LTD benefit payments.
  - If the nature of the employee's disability points to a high probability that the employee will not return to work, then the employee could determine that he/she should use sick leave to maximize income. We recommend that you do not initiate advice to the employee in these circumstances, so as to not imply a judgment on his/her possibility of recovery.

6.	Rehabilitation / Gradual Return to Work (GRTW)
6.1	General Information 6.1.1 Guiding Principles 6.1.2 Roles & Responsibilities 6.1.3 Plan Development
	6.1.4 Plan Implementation
6.2	Reporting Gradual Return to Work Earnings
6.3	Premium Contributions
6.4	Return to Work
6.5	Recurrent Disability
	6.5.1 Questions & Answers for Managers/Supervisors 6.5.2 Questions & Answers for Employees

This section provides managers and supervisors with guidance to better assist employees returning from Long Term Disability (LTD). Since individual situations will vary, the course of action for each employee will also differ. Generally, return to work (RTW) plans are designed for each employee as a short-term accommodation moving toward a common, primary goal – a successful return to work.

If you have questions or need further clarification on this section, please contact PEBD at (506) 453-2296 or Toll Free in Canada at 1 800-561-4012.

#### **General Information**

#### General Information

A rehabilitation program that is considered beneficial to an employee will be recommended or approved by Medavie Blue Cross (MBC) based on the nature and expected duration of the employee's disability, his/her education or training or experience, and the level of activity required to become actively employed again.

Experience shows that reintegration is a vital step to a healthy recovery, and helps minimize some of the consequences of disability, such as loss of self-esteem, loss of a sense of belonging, and the loss of pride in contributing to the workplace. The return to work must be carefully planned, and requires cooperation between you, the employee, the Disability Claims Specialist or Rehab Consultant and the employee's Health Care Provider, and other relevant stakeholders.

A rehabilitation program may include modified work with the employer, or any other employer that MBC deems acceptable.

# **6.1.1** Guiding principles are core values that are critical to the success of the rehabilitation plan. The principles are formulated to guide the development of the rehabilitation plan, and to provide some direction to the employer and employee.

- Respect and dignity
- Joint responsibility, development and accountability
- Involvement of the injured/ill employee
- Communication /promotion of the program
- Rehabilitative focus
- Continuation of employee/employer relations
- Safe, meaningful and productive work, according to the employee's abilities
- Training, knowledge and experience.

# 6.1 (Cont'd) General Information

6.1.2 Roles & Responsibilities	When recommended by MBC, a rehabilitation program that is tailored to the employee's specific needs is developed. This involves the Disability Claims Specialist (DCS) or Rehabilitation Consultant (RC), with the co-operation of the employee and the assistance of his\her Heath Care Provider (HCP), Union and the employer. Collaboration from all parties is important for a progressive and successful RTW.
Employee	Each party involved in the RTW plan has very specific roles and responsibilities to ensure the plan is suitable and outcomes are successful. The employee must engage and willingly participate in the RTW plan, maintain regular contact with both the employer and MBC, and follow the prescribed health care treatment.
Health Care Provider (HCP)	The HCP assists in the development of the RTW plan, as well as identifying and communicating factors that may affect the employee's recovery.
Disability Claims Specialist (DCS) or Rehabilitation Consultant (RC)	The DCS or RC co-ordinates ongoing communication with each party, provides effective case management, ensures fair and reasonable treatment, provides financial support when appropriate, develops a written RTW timeline with allowance for modifications, and monitors the employee's progress.
Manager or Supervisor	The manager or supervisor must provide a suitable work station and communicate the logistics of the RTW program to the employee's co- workers. They must also assess the situation, review the employee's history, analyze the job tasks, communicate to the employee, evaluate and monitor the circumstances, and make provisions for accommodations in a timely manner.
Human Resources (HR)	The role of the HR representative is to facilitate the employee's RTW by providing support to both the employee and the manager/supervisor throughout the RTW process, as well as provide advice to the manager/ supervisor on the process of returning to work, its implications, and available options. Also, he/she must notify payroll of the return to work plan so that gradual return to work (GRTW) earnings can be reported to MBC. It is the responsibility of the HR representative to provide information to all parties to reach the common goal of a successful RTW.
Union	The Union representative's role is to support the employee's RTW plan, and to assist with the promotion of cooperative labour-management relations through the promotion of positive attitudes, cooperation and support.

# 6.1 (Cont'd) General Information

6.1.3 Development	Each individual RTW plan will require the employer and all involved to communicate their goals. Through discussion and negotiations, a plan will materialize; and work on the plan can begin with a common understanding and focus. The plan must take into consideration all the factors that may impede or facilitate the employee's RTW. Two important factors to be considered are:
	1. Laws: Understanding the legal implications associated with any action taken on the part of the employer is extremely important. Know the Federal and Provincial acts. Understand the <i>Human Rights Act</i> and the Duty to Accommodate.
	2. Collective Agreements and Non-Bargaining Employee Policies: Review the employee's collective agreement – they are all different. Some may have clauses that specify the employee and employer rights with respect to leaves; others may not. Review Non-Bargaining Employee HR policies and administrative directives.
6.1.4 Implementation	Successful implementation of a GRTW program requires effective collaboration between all parties, as well as the timely provision of information.
	The manager/supervisor analyzes the job tasks and job site to determine whether modifications need to be made in order to accommodate the returning employee. This analysis is based on information from the HCP, and is performed with the assistance of Human Resources (HR), the Disability Claims Specialist (DCS) or Rehabilitation Consultant (RC), and the Occupational Therapist (OT), in some cases.
	The length of time required for job site and job task modifications, as well as the employee's expected progress, must be determined based on information from the HCP in collaboration with MBC. Then, the plan may have provisions that include gradual increases in duties and hours

Then, all parties can discuss the commencement date of the plan, payroll arrangements and other pertinent details, such as work schedules and modified duties.



Employers are expected to pay for hours worked when the employee is able to perform his/her duties without the assistance of extra staff.

of work.

# 6.1 (Cont'd) General Information

- A detailed description of the plan, including any modifications and time limits required, must be communicated, in writing, to all parties involved.
- The manager/supervisor should assess the employee's progress, regularly; monitor the plan at regular intervals to ensure it is appropriate; and update MBC in a timely manner. It is important to keep good records of employee absences that may occur, as well as monitor the effects of the absence on the service delivery of the organization.
- Regular meetings with all parties are recommended during the employee's RTW, up to the point when the employee is back to his/her pre-disability work schedule and on the employer's payroll. This is to ensure that the employee and manager/supervisor are supported in the RTW plan.
- The employer must continue to try to accommodate the employee up to the point of undue employer hardship.
- Finally, following the guiding principles, determine each party's responsibility for the plan, and assess individual situations. The key to the success of a RTW plan is creating a partnership among employees, Union, employer representative, HCPs and/or DCS or RCs, sharing commitment to the goal of returning the disabled employee to suitable employment in a safe and timely manner.

Under a rehabilitation program, benefits will be paid for a maximum period of 24 months, unless payments cease earlier in accordance with other LTD Plan provisions, or unless otherwise recommended by MBC.

When the employee is able to perform his/her duties without the assistance of extra staff, the employer is expected to pay for hours worked.

The employee or MBC will request that you report these earnings in order for MBC to calculate any LTD residual benefit. The monthly LTD benefit is reduced by 50% of the employee's gross earnings. Total income cannot exceed 100% of the EE's pre-disability net income.

Benefits will cease when the employee's Rehabilitation Income equals 75% or more of the current gross monthly Salary for the employee's Normal Occupation.



To avoid unnecessary delays in the employee's monthly LTD benefit payment, please report earnings to MBC regularly, and as soon as the information is available.

While an employee is participating in a GRTW program, he/she is eligible for Waiver of Premium benefits.

When the employee has successfully returned to work, and his/her LTD claim has been closed, the employer must reactivate benefit coverage by reactivating the employee's pre-disability payroll deductions, upon receipt of a letter from PEBD that provides benefit reactivation dates.

Note: If the employee has Health and Dental coverage, it is the employer's responsibility to reactivate this coverage directly with MBC. For further information, please contact MBC.

When the employee has successfully returned to work, the employer must, upon receipt of a letter from PEBD that provides benefit reactivation dates:

- Re-activate the employee's Health & Dental benefits directly with MBC, and begin payroll deductions
- Re-activate all other benefits through the commencement of payroll deductions

If the employee becomes totally disabled again within six months of return to work and the end of LTD payments, the employer must advise PEBD, immediately with the submission of a new Employer Statement. The recurrent disability must be for the same, or a directly-related cause as the original claim.

In order to determine eligibility for a recurrent disability claim, a complete application including an Employer Statement, Employee Statement and Attending Physician Statement, must be submitted to MBC where it will be determined if the absence qualifies as a recurrent disability. To avoid delays, employees are encouraged to send all medical documentation since the termination of the original claim with their application. MBC will advise the employee of any additional required medical information.



If total disability reoccurs later than six months of return to work and the end of LTD payments, the disability is considered a new claim and the four-month qualifying period applies.

6.5.1	Questions & Answers for Managers/Supervisors
	Some common questions asked by managers/supervisors regarding the RTW plan:
Question:	Do I have to pay my employee during the gradual return to work program?
Answer:	Employers are expected to pay the employee for hours worked when the employee is able to perform his/her duties without the assistance of extra staff.
Question:	What happens if we are unable to identify alternate, suitable work for the employee?
Answer:	DCS's & RC's are skilled in assisting to identify transitional and alternate employment options for disabled employees. This can be discussed during the RTW meetings.
Question:	What guidelines are used to plan for a return to work?
Answer:	Once it has been established that the employee is able to return to work, the following sequential rehabilitation objectives apply:
	a) Return the employee to the same work with the same employer
	b) Return the employee to the same (modified) work with the same employer
	c) Return the employee to different work with the same employer
	d) Return the employee to different work with a different employer
	e) Training and education
	Based on the above objectives, most often, a gradual return to work plan is implemented as a means to reintegrate an employee into his/her workplace in a timely and successful manner.
Question:	What if the employee refuses modified work?
Answer:	The DCS or RC will evaluate the proposal, and consider the reasons for refusal. If the DCS or RC considers it reasonable, the employee's benefits will be adjusted, effective on the date of the decision. If the reasons for refusal do not meet the DCS's or RC's expectations, then the employee has a decision to make concerning his/her continued employment.

## 6.5.1 (Cont'd) Questions & Answers for Managers/Supervisors

#### Question: How long will the GRTW period last?

Answer: While the duration will depend on the disabled employee's recovery, normal RTW programs last approximately 6-8 weeks. However, there are exceptions. Revisions may be made as the employee's condition changes. If it is determined that there will be permanent work restrictions, then the modified work plan may be made a part of the rehabilitation plan.

#### Question: Can I terminate an employee after 28 months?

Answer: Although employers are prohibited from terminating an employee's employment due to disability within 28 months from the employee's date of disability; beyond the 28-month period, the employer's actions are governed by Human Rights legislation. Employers should base their HR policies on legal advice. The source of this, for many Public Service employers, is the Employment and Administrative Law Group within Legal Services, Department of the Office of Attorney General.

#### 6.5.2 Questions & Answers for Employees

Some common questions asked by employees regarding the return to work (RTW) plan:

#### Question: Who decides when I should return to work?

- Answer: Progress reports are sent by the Health Care Provider to the Disability Claims Specialist or Rehabilitation Consultant who then decides if the employee is fit to RTW; and will contact the employee to set a date to discuss the development of an action plan.
- Question: What if I am unable to do the job that I was doing before my injury or illness?
- Answer: The Disability Claims Specialist or Rehabilitation Consultant and the manager/supervisor will work with the employee to determine if there are other duties that can be done in the interim. This may mean modifying the current duties by reducing the hours or performing modified tasks.
- Question: Does my employer have to hold my job until I am fit to return to work?
- Answer: The employer may hold, at least, an equivalent job for up to a 28-month period.
- Question: What happens if I am considered medically fit to return to work, but I choose not to?
- Answer: When the Disability Claims Specialist or Rehabilitation Consultant finds the employee medically fit to RTW, the employee is expected to do so. If the employee decides not to return, then benefits can terminate.

#### Continuation of Coverage

7.1 Types of Leaves & Maximum Periods for Continuation of Coverage

- Sickness or Injury
- Deferred Salary Leave
- Maternity Leave
- Sabbatical Leave
- Educational Leave
- Entrepreneurial Leave
- Vacation
- Lay-off Periods

Administrative Requirements

This section provides information relating to the most common types of Leaves of Absence, along with the applicable administrative requirements.

If you have questions or need further clarification on this section, please contact PEBD at (506) 453-2296 or Toll Free in Canada at 1 800-561-4012.

7.

7.2
### Types of Leave & Maximum Periods

Employees that cease to be actively at work and have been approved for a leave without pay have the option to continue their LTD coverage following the date their approved leave commences. LTD coverage may be continued under the circumstances described in this section, <u>provided</u> <u>premium payments continue by the employee</u>:

Type of Leave (Without Pay)	Maximum Period for Continuation of LTD Coverage
Sickness/Injury	Entire duration of absence
Adoption/Childcare/Maternity *	Entire duration of absence (up to 12 months)
Sabbatical	12 months
Educational	12 months
Entrepreneurial	12 months
Deferred Salary Leave	12 months
General Leave	12 months
Summer-off Leave	2 months

Note: Premiums must continue for employees on leave with full or partial pay.

\* Maternity Leave Although employees taking a Maternity Leave have the option to discontinue coverage, the employer should <u>strongly recommend</u> that the employee continue her coverage as she is at a higher risk of disability preand post-delivery. If she chooses to discontinue coverage, the employer should stress that she will not be eligible for benefits for a disability that begins during any period for which premiums have not been paid.

Lay-offEmployees on lay-off do not have the option to continue LTD coveragePeriodsafter their last date of work.

Note: Since LTD premiums are paid in advance of the month of coverage, the premium deducted in the last month of work is applied to cover the first month during which the employee returns to work.

7.1

## Administrative Requirements



Process to Follow When Discontinuing Coverage



Premium Remittance Process When Continuing Coverage As soon as the employee has been approved for a <u>leave without pay</u>:

- The employee must complete the Continuation of Employee Benefit Coverage – Leave of Absence Without Pay / Lay off form.
   \*\* Please remind the employee to sign, date & initial their options on the form, whether or not coverage is continued.
- 2) The employer must retain a copy of this form for their records.
- 3) If the employee chooses to <u>discontinue coverage</u>, the employer must submit the completed **Continuation of Employee Benefit Coverage** – Leave of Absence Without Pay / Lay off form to PEBD, terminate the employee's coverage by removing them from the payroll file, discontinue premium deductions and notify the employee that coverage will be reinstated when they return to work.

**Note:** Since LTD premiums are paid in advance of the month of coverage (e.g., February premiums are for March coverage), premiums deducted in the last month of work is applied to provide coverage for the first month of return to work.

Please ensure the employee understands that LTD premium payments must continue during the 4-month Qualifying Period. Also, for benefit plans that have WOP provisions, he/she is effectively waiving his/her right to the WOP benefits if the decision has been made to discontinue coverage during the 4-month Qualifying Period.

4) If the employee chooses to <u>continue coverage</u>, the employer must remove the employee from the payroll file, obtain premium cheques or money orders from the employee, and submit to PEBD along with the completed **Continuation of Employee Benefit Coverage – Leave of Absence Without Pay / Lay off** form.

**Note:** Premium cheques for Group Life, AD&D and LTD should be submitted to PEBD and the Health and Dental premium cheques should be sent directly to MBC.

# 7.2 (Cont'd) Administrative Requirements

5) Monthly premium cheques or money orders can be submitted to PEBD each month with a copy of the Continuation of Employee Benefit Coverage – Leave of Absence Without Pay / Lay off form; OR the employee can provide post-dated cheques that can be attached to the original Continuation of Employee Benefit Coverage – Leave of Absence Without Pay / Lay off form.

Cheques or money orders for the full (employer and employee) monthly premiums are to be made payable to the Minister of Finance, with the exception of Health & Dental premiums, which are to be made payable to Medavie Blue Cross.

We highly recommend that the employer take responsibility for obtaining and submitting the premium cheques on the employee's behalf. This will ensure that documentation is available if the cheques are misplaced, or are not received at PEBD within the allotted time frame.



It is critical that premium payments are submitted to PEBD in advance of the month of coverage. Otherwise, coverage is terminated and will not be reinstated until the employee returns to regular employment. Retroactive payments will not be accepted.

## LTD Benefit Provisions

8.

8.1	General Description
8.2	The Qualifying Period
8.3	Definition of Total Disability
8.4	Benefit Amount
	8.4.1 Reductions to Benefits Payable (Direct and Indirect Offsets)
	8.4.2 Subrogation (Third Party Liability)
8.5	Limitations & Exclusions from Benefits
8.6	Cessation of Benefits

This section is not intended to replace the LTD Coverage Pamphlet, but rather acts as a supplement to it. For a more detailed description of the benefit, please refer to the LTD Coverage pamphlet located in the Employee Benefits Folder or visit the PEBD web site at:

http://www.gnb.ca/employee\_benefits

If you have questions or need further clarification on this section, please contact PEBD at (506) 453-2296 or Toll Free in Canada at 1 800-561-4012.

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1.00		and the second	General Description
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Purpose	Absences from work can negatively affect ill or injured employees and their families – financially, emotionally and personally. The LTD Benefit is designed to ensure that eligible employees receive replacement income for a good portion of the income that is lost due to a serious disability caused by injury or disease. In order to receive the benefit, the employee must meet the definition of Total Disability, and remain under the continuing care of a physician.
Employee Paid	The employee is required to pay the full cost of the monthly contributions to the Plan in order for the monthly LTD benefits to remain tax free.
Note:	This Plan is not in place of, and does not affect any requirement for coverage under the Workers' Compensation Act.

## The Qualifying Period

To claim benefits, the employee is required to satisfy a waiting period of  $\underline{4 \text{ months}}$  – the "Qualifying Period" – during which time they must be continuously disabled, before benefits begin.

Sick Leave Credits (Optional) Normally, the employee uses his/her accumulated sick leave credits during this period. If there is not sufficient sick leave, the Employment Insurance program is available, and the employee should be informed of his/her option to apply to this program. Applications and information about the Employment Insurance program are available at the following web address:

Employment Insurance

#### http://www.servicecanada.gc.ca/eng/ei/menu/eihome.shtml

After satisfying the Qualifying Period and the Definition of Total Disability (see Guide Section 8.3), an employee who has more than 4 months of sick leave available may go on LTD immediately, or use the remaining period of sick leave – it's the employee's choice.



It is imperative that the employer inform the employee of their choices to continue paid sick leave or to receive LTD benefits. Key considerations include the employee's employment agreement, the expected duration of his/her disability, and the potential of returning to work.

Extension of the Qualifying Period If an employee ceases to be totally disabled during the qualifying period, and then becomes totally disabled again within one month due to the same cause, the Qualifying Period may be extended by the number of days during which total disability ceased.

For example, the Qualifying Period is 4 months and 8 days for an employee who worked a total of 8 days during the Qualifying Period. LTD benefits could be payable after 4 months and 8 days.

8.3	Definition of Total Disability
	In order to qualify for LTD Benefits, the employee must meet the definition of " <b>Total Disability</b> ." There are two components to the Definition of Total Disability:
Initial Assessment Period	For the first 24 months following the qualifying period, the employee must be wholly and continuously disabled due to illness (physical or mental) or injury, and be unable to perform the <b>regular</b> duties of <u>his/her normal</u> <u>occupation</u> in order to be eligible to receive benefits.
Change in Definition	After the initial assessment period (4 months qualifying plus 24 months), the Definition of Total Disability changes, which is often referred to as "Change in Definition".
Subsequent Assessment Period	Benefits will continue if the employee is unable to perform the essential duties of <u>any other occupation</u> for which:
	<ul> <li>he/she is qualified as the result of training, education, experience; and</li> </ul>
	<ul> <li>the current monthly earnings are, at least, 75% of earnings for his/her own occupation.</li> </ul>
	The availability of such occupations, jobs or work will not be considered while assessing the employee's ability. If he/she must hold a government permit or license to perform his/her duties, he/she will not be considered totally disabled because such permit or license has been withdrawn or not renewed.

## **Benefit Amount**

The "**Benefit Amount**" is the monthly benefit that is paid to an employee upon approval of his/her LTD claim.

The Benefit Amount is calculated based on the employee's monthly <u>Salary</u> and the LTD Plan's <u>Benefit Formula</u>. For more information on salary, the benefit formula, or how to calculate the Benefit Amount, please refer to section 4.2 of this Guide.

8.4.1 If the employee is in receipt of, or is eligible to receive, benefits under this
 Reductions to
 Benefits Payable
 If the employee is in receipt of, or is eligible to receive, benefits under this
 LTD Plan, and he/she is receiving benefits from other sources, the amount
 of benefit payable under this Plan will be reduced as outlined below:

Direct OffsetIf an employee is in receipt of benefits from Canada/Quebec Pension Plan<br/>(CPP/QPP or<br/>Employer Paid(CPP/QPP or<br/>Employer Paid(CPP/QPP), or earnings from employer paid-leave (e.g., sick leave or<br/>vacation) while receiving LTD benefits under this plan, his/her benefit<br/>amount under this Plan will be reduced dollar-for-dollar.

CPP/QPP If it appears that the employee's recovery period will extend beyond one year, MBC will advise the employee that he/she will be required to apply for CPP/QPP. If MBC requests that the employee apply for CPP/QPP and this request is not honoured, MBC may reduce the LTD benefit payable under this Plan by the amount of Disability Pension that would otherwise be payable under the CPP/QPP plan, unless the employee is able to provide proof that an application has been made, and all available levels of appeal have been denied.

# Indirect Offset When the total income received from all "other sources" (defined below), plus the initial LTD benefit exceed the all-source maximum, the benefit payable is reduced by the excess amount.

8.4

8.4 (Cont'd)	Benefit Amount
Other Sources	Other sources of income include:
	<ul> <li>earnings or payments from any other employer, excluding lump sum payments that may be made by an employer on termination of employment</li> </ul>
	<ul> <li>disability benefits payable under any other group, association or franchise insurance plan</li> </ul>
	<ul> <li>disability benefits payable under any other government plan excluding Employment Insurance benefits</li> </ul>
	<ul> <li>income replacement indemnity payable under any automobile insurance plan/policy or rider</li> </ul>
	<ul> <li>earnings recovered through legal action under Subrogation: Third Party Liability (see Guide Section 8.4.2)</li> </ul>
	<ul> <li>reduced early retirement or pension benefits provided by the employer, excluding pension pre-payments during an employer Phased-in Retirement Program</li> </ul>
	Note: Benefits are <u>not</u> reduced by income received from individual disability insurance plans.
Determining Direct or Indirect Offset	When MBC determines the amount of offset income, the following will apply:
Income	<ul> <li>a) Any income that is not payable on a monthly basis (e.g., bi-weekly) will be converted to a monthly basis.</li> </ul>
	b) Disability benefits payable under a public pension plan will not be taken into account until the actual determination of the award is made:

b) Disability benefits payable under a public pension plan will not be taken into account until the actual determination of the award is made; provided agreement to reimburse MBC, signed by the claimant, is furnished at the time of claim. Otherwise, any government award that has not been determined by the time this benefit is payable will be estimated and deducted from the monthly LTD benefit. Adjustment to correct such payments under this Plan will be made after the award has been determined.

8.4 (Cont'd)	Benefit Amount
$\mathbf{N}$	

- c) For disability benefits payable under a public pension plan, the only changes that are taken into account are those resulting from:
  - i. a change in the benefit formula of 10% or more;
  - ii. a change in dependent status; or
  - iii. an error in determining the benefit amount.
- d) Any change due to a cost of living increase will not be taken into account.

8.4.2 Subrogation and Third Party Liability If an employee has a cause of legal action against a Third Party for income lost as a result of their disability, MBC will request that the employee complete an Agreement form, prior to the commencement of benefits, agreeing to reimburse the Plan as the result of an award settlement – the amount not to exceed the amount of LTD benefit payments received.

## Limitations & Exclusions from Benefits

Benefits will not be paid if any of the following situations occur:

- Benefits may be terminated if the employee is not under continuing medical supervision and treatment that MBC considers satisfactory
- An employee who must hold a government permit or license to perform his/her duties will not be considered Totally Disabled solely because such permit has been withdrawn or not renewed
- While the employee is eligible to receive a benefit under the *Workers' Compensation Act.*

Benefits will not be paid if a disability results from:

- · intentional self-inflicted injuries or illness while sane or insane
- · insurrection, war, service in the armed forces or participation in a riot
- · committing or attempting to commit a criminal offence
- alcohol, drug addiction or the use of any hallucinogen, unless the employee is participating in a therapeutic program approved by MBC and is under continuous medical supervision by a specialist in the field
- a pre-existing condition. If the employee becomes disabled within the first 12 months of becoming covered due to any condition that existed and was known prior to becoming covered by the Plan, the benefit will be paid only if the employee has completed 3 consecutive months of work without absence due to that condition. MBC or PEBD may contact the employer for records of absence for verification.

8.5

#### **Cessation of Benefits**

Benefit payments will be discontinued if one of the following events occurs:

- a. The employee is no longer disabled
- b. The employee does not comply, or ceases to comply with the Proof of Claim provision. This provision includes the requirement that the initial claim forms and all medical, psychiatric, psychological, educational, vocational and other information MBC considers necessary to assess the claim, be received within 6 months after the date of completion of the 4-month Qualifying Period.
- c. The employee refuses or fails to undergo medical, psychiatric, psychological, educational and/or vocational exams, evaluations or treatment when requested by MBC
- d. The employee is not under the continuous regular care of a medical physician and/or specialist
- e. The employee refuses or fails to: undergo medical, psychiatric or psychological treatment, or participate in a Rehabilitation Program or alcoholism, drug addiction or substance abuse treatment program, considered beneficial to the employee as recommended by MBC
- f. The employee becomes incarcerated in a prison or mental institution by authority of a criminal court
- g. The employee refuses to complete and return the reimbursement agreement form or comply with the terms of a signed reimbursement agreement form, when requested by MBC in accordance with the Subrogation, Third Party Liability provisions
- h. The employee dies, in which case the last payment will include the date of death

In addition, for dates of disability that occurred prior to April 1, 2014, benefits will cease when the employee:

- i. attains Age 60 if he/she was contributing to a pension plan that provides for the continuation of pensionable service credit while the employee is in receipt of LTD benefits; or
- j. attains age 65, if he/she does not contribute to a pension plan, or if the pension plan does not provide for the continuation of pensionable service credit while the employee is in receipt of LTD benefits; or

For dates of disability that occurred on or after April1, 2014, benefits will cease when the employee:

k. attains age 65.

# 9. Termination of Coverage

- 9.1 When to Stop Payroll Deductions
- 9.2 Maximum Benefit Periods
- 9.3 Employer Checklist

This section provides guidance on the administrative requirements for when coverage terminates.

If you have questions or need further clarification on this section, please contact PEBD at (506) 453-2296 or Toll Free in Canada at 1 800-561-4012.

Payroll deductions must be stopped when an employee's coverage ends. An employee's coverage terminates on the earliest of the following dates:

- Date when the employee no longer satisfies the definition of eligible employee
- Date when the employee ceases to be actively employed (except as permitted under Guide Section 7– Continuation of Coverage)
- Date the employee enters the armed forces of any country on a fulltime basis
- Date that the Plan terminates, or coverage on the group, division or class to which the employee belongs, terminates
- Date the employee terminates employment or retires
- Date the employee dies
- Date the employee participates in a strike unless there is an agreement in place that states otherwise. Coverage resumes when the employee reports back to work (This provision is, in effect, more a suspension of coverage).

In addition, for dates of disability that occurred prior to April 1, 2014, an employee's coverage terminates:

- Four (4) months prior to attaining age 60 if the employee was contributing to a pension plan that provides for continuation of pensionable service while the employee is in receipt of LTD benefits,
  - or earlier if the employee's accumulated sick leave (up to a maximum of 12 months) will ensure salary continuation to age 60 or
- Four (4) months prior to the date on which the employee attains age 65 if he/she does not participate in a pension plan or if the pension plan does not provide for the continuation of pensionable service while the employee is in receipt of LTD benefits,
  - or earlier if the employee's accumulated sick leave (up to a maximum of 12 months) will ensure salary continuation to age 65.

## 9.1 (cont'd) When to Stop Payroll Deductions

For dates of disability that occur on or after April 1, 2014, an employee's coverage terminates:

- Four (4) months prior to age 65
  - or earlier if the employee's accumulated sick leave (up to a maximum of 12 months) will ensure salary continuation to age 65.



If coverage terminates after a payroll deduction date, the premium or portion thereof is not refundable to the employee.

LTD Benefits on an approved claim are payable after the 4-month Qualifying Period, and may continue to the Maximum Benefit Period – the latest possible date for payment of LTD Benefits. This corresponds to:

#### a) For dates of disability that occurred prior to April 1, 2014

- the end of the month during which the employee reaches age 60 if contributing to a pension plan that provides for continuation of pensionable service while the employee is in receipt of LTD benefits; or
- the end of the month during which the employee reaches age 65 if he/she does not participate in a pension plan, or if the pension plan does not provide for the continuation of pensionable service credit while the employee is in receipt of LTD benefits
- For Deputy Ministers with deputy head status under the *PSSA* Pension Plan who qualify for an unreduced pension at age 55 with 5 years of pensionable service: benefits end at age 55
- For Members of the Pension Plan for Employees of Council of Atlantic Premiers, with 25 years of pensionable service, who qualify for an unreduced pension as early as age 55: benefits end as early as age 55. (The pension has an age/service index of 80.)

#### b) For dates of disability that occur on or after April 1, 2014

• the end of the month during which the employee reaches age 65

The full monthly benefit is paid for the month during which the employee reaches age 65.

# **Employer Checklist**

## If employee terminates employment while on LTD:

$\checkmark$	Date	
		<ul> <li>Ensure employee on LTD is advised of the following before employment is terminated</li> <li>Pension benefit options, including purchase of any eligible period of service</li> <li>Transfer option (if applicable) – to Retiree Health, Dental and Travel Plans</li> </ul>

See the LTD Coverage insert/pamphlet from the Employee Benefits Folder for a description of the coverage; or visit our web site at <a href="http://www.gnb.ca/employee\_benefits">http://www.gnb.ca/employee\_benefits</a>

9.3

Appendix A LTD Benefit and Premium Calculation Examples

LTD Benefit Calculation Examples	1	2	3
Assume Monthly Salary:	\$1,700	\$4,000	\$5,200
60 % of first \$2,500 Monthly Salary	\$1,020	\$1,500	\$1,500
PLUS (+)	+	+	+
50 % of the next \$2,250 Monthly Salary	\$0	\$750	\$1,125
PLUS (+)	+	+	+
40 % of remaining Monthly Salary	\$0	0\$	\$180
= LTD Benefit Amount	\$1,020	\$2,250	\$2,805
LTD Premium Calculation Examples	1	2	3

LTD Benefit Amount	\$1,020	\$2,250	\$2,805
	х	х	х
Rate = \$1.84 per \$100 of Benefit Amount	\$0.0184	\$0.0184	\$0.0184
Monthly Premium Contribution	\$18.77	\$41.40	\$51.61

# Appendix B Long Term Disability Claim Checklist for Employers

Use this checklist when an employee is on an approved Leave of Absence for reasons of disability (health or injury) and will be applying for Long Term Disability (LTD) benefits.

# ✓ When employee has been on leave for 8-10 weeks, or as soon as it is known that employee will be on leave for more than four months:

$\checkmark$	Date	
1. 🗆		Contact employee to discuss the eventuality of applying for LTD benefits.
2. 🗆		Discuss LTD claim forms and procedures with employee; contact a Benefits Counselor at Pension & Employee Benefits Division (PEBD) of DHR for questions on claim procedures.
3. 🗆		Provide the Employee Statement and Physician Statement forms to the employee (Claim forms can be obtained from PEBD).
	** lf e	mployee has 4 months of paid leave, skip to #11**
<b>4.</b> 🗆		If the <u>employee intends to submit a claim</u> and does not have four months of paid leave (i.e., pay cheques from which LTD contributions continue to be deducted) advise employee that he/she <u>must pay LTD</u> <u>monthly contributions</u> for the four-month qualifying period (the period before LTD benefits are payable for an approved claim).
		The employee need not pay LTD monthly contributions for more than the four-month qualifying period from the Date of Disability for the claim to be accepted by the Claims Administrator for adjudication. The Date of Disability is usually the last day employee worked before disability started.
5. 🗆		If a period of leave <u>without</u> pay has been approved, discuss with employee the option of continuing other benefits (e.g., Group Life, AD&D, Health & Dental Plans) while on leave without pay.
		<u>To qualify for waiver of premium benefits</u> , should the LTD claim be approved, payment of contributions/premiums for the other benefit plans must continue during the four-month qualifying period. With LTD approval, waiver of premium applies to only the benefits plans that employee <u>continued to pay</u> during the four-month qualifying period.

Appendix B

# Long Term Disability Claim Checklist for Employers

$\checkmark$	Date	
6. 🗆		Keep/file confirmation of employee's option to continue (or not to continue) other benefits for the period of leave of absence without pay. Use <i>Continuation of Employee Benefits</i> form, signed by the employee.
		<b>IMPORTANT</b> : In either case, the form used to indicate employee's decision to continue or not to continue benefits while on leave without pay must be completed and signed by the employee.
7. 🗆		Explain to employee how to remit payment of contributions/premiums to PEBD when employee on leave without pay.
8. 🗆		Send to PEBD, without delay, any cheques or money orders left with you by employee for payment of contributions/premiums while on leave without pay.
9. 🗆		Employer to continue cost sharing of benefits while employee on leave <u>with pay</u> ; and, at least, for the four-month qualifying period if employee on leave <u>without pay</u> .
10.□		Advise and assist employee in claiming EI Disability Benefits should employee exhaust paid leave credits before LTD approval.
11.□		Discuss with employee their choice to use paid sick leave credits beyond the four-month qualifying period, in lieu of LTD benefits. The expected duration of disability, age and potential for return to work are key considerations. For example, if employee is expected to return to active employment, it is not advisable to use paid sick leave credits beyond the four-month qualifying period.
		<b>IMPORTANT:</b> employee does not have to exhaust all accumulated sick leave credits before collecting LTD benefits.
12.□		Complete the Employer Statement. Contact a Benefits Counselor for any questions on completing the form.
13.□		<ul> <li>If information completed on the Employer Statement is submitted and subsequently changed, advise PEBD by letter or email of the amended information without delay – most particularly:</li> <li>When employee requests further paid leave (sick/vacation credits) before LTD benefits are payable.</li> </ul>
		<ul> <li>If the employee worked days/hours in addition to the information already indicated on the Employer Statement.</li> </ul>

# Appendix B Long Term Disability Claim Checklist for Employers

$\checkmark$	Date	
14.□		Send the Employer Statement and the employee's job description to PEBD, without delay.
		Note relative to the Protection of Personal Information Act (POPIA): employee may choose to send their Attending Physician's Statement (and other medical reports) directly to PEBD or Medavie Blue Cross.
15.□		Advise employee of time limit for filing of claim.
		<b>IMPORTANT:</b> LTD claim forms must be received at PEBD within 10 months following Date of Disability, at the latest.
		The Plan is not liable for benefit payments if a claim is not received within the required time.

**Note:** If the employee is entitled to receive benefits under the *Workers' Compensation Act*, a claim (for waiver of premium only) must be received at the PEBD within 30 months following the Date of Disability.

## Hen employee is approved for LTD Benefits/ Waiver of Premium Benefits:

PEBD will send to employer copy of employee's approval letter describing the benefits under waiver of premium. Contact PEBD for updates on employee's claim status.

$\checkmark$	Date				
		Discontinue payroll deductions and refund overpaid monthly contributions/premiums based on the employee's letter from PEBD outlining the Waiver of Premium benefits and the approval dates.			
		PEBD will refund overpaid contributions/premiums that employee paid directly to PEBD.			
		<u>Maximum the LTD Plan will refund</u> : overpaid contributions up to 12 months.			

## Appendix B Long Term Disability Claim Checklist for Employers

## $\blacktriangleright$ When employee returns to work during rehabilitation:

When recommended by the Claims Administrator in consultation with the employee's Physician, the Rehabilitation Specialist at MBC, with the co-operation of the employee and the assistance of his/her physician, Union and the employer will develop the rehabilitation plan.

**IMPORTANT:** Accommodation efforts from all parties, including employer, Union, employee and Physician are important for a progressive and successful return to work.

$\checkmark$	Date					
		Report employee's earnings during the gradual return to work/rehabilitation program to the Claims Administrator on a regular basis, <u>as soon as the information is available.</u> The amount of 'rehabilitation' earnings is used to calculate the employee's LTD monthly benefit. (The benefit is reduced by 50% of the earnings.)				
		Do not put the employee back on regular payroll with deductions for benefits that are under waiver of premium. Waiver of premium continues while employee is approved on LTD, including gradual return to work programs recommended or approved by the Claims Administrator.				
		Advise PEBD immediately if employee becomes totally disabled again within six months of return to work and end of LTD payments (for same or directly-related cause) by sending a written confirmation (letter or email) of employee's last day of work before disability reoccurred and last day of paid earnings.				
		Advise employee that he/she must send a letter (or email) to MBC, with copy to PEBD, to request that the claim be reopened. MBC will advise employee of any required medical information. <i>If total disability reoccurs later than six months of return to work and end of LTD payments, the disability is considered a new claim. The four-month qualifying period applies and a new claim would be presented.</i>				

# Appendix B Long Term Disability Claim Checklist for Employers

## ➢ If employee terminates employment:

$\checkmark$	Date	
		Ensure employee on LTD is advised of the following before employment is terminated.
		• Pension benefit options, including purchase of any eligible period of service.
		<ul> <li>Transfer option (if applicable) – to Retiree Health, Dental and Travel Plans.</li> </ul>
		If the employee terminated employment before termination of LTD and waiver of premium benefits, PEBD will offer employee the option to convert Group Life Insurance and information on their other benefits.

See the LTD Coverage /pamphlet from the Employee Benefits Folder for a description of the coverage; or visit our web site at <u>http://www.gnb.ca/employee\_benefits</u>



## **APPENDIX C:** Long Term Disability (LTD) Claim Process Flow Chart

## When EE is approved for LTD benefits/ Waiver of Premium benefits:

Discontinue payroll deductions and refund any necessary overpaid monthly contributions/premiums.

When EE returns to work during rehabilitation:

Report EE's earnings during GRTW program.

Do not reactivate payroll deductions for benefits that are approved for WOP.

Advise PEBD immediately of potential Recurrent Claim. See section 6.5 of this Guide for more information.

Advise EE of Recurrent Disability claim procedures. See section 6.5 of this Guide for more information.

Legend: GRTW – Gradual Return to Work RTW – Return to Work

# APPENDIX C: Long Term Disability (LTD) Claim Process Flow Chart

## If EE terminates employment:

Advise EE of the following:

1) Pension Benefit Options

2) Transfer Option to Retiree Health, Dental & Travel (if applicable).

Ap		

Purpose This is your guide through the application process for Long Term Disability (LTD) Benefits. It will provide you with important information that is intended to help minimize delays in payments due to some common errors or omissions.

> Note: This guide is not intended to replace your Benefit Pamphlet, but acts as a supplement to it. For this reason, you will not find information regarding the specific Plan provisions or benefit amounts for which you may be eligible. For a more detailed description of your disability coverage, please refer to the LTD Coverage pamphlet located in the Employee Benefits Folder or visit our website at:

http://www.gnb.ca/employee\_benefits

Overview LTD coverage is a key component of your benefits package. It is designed to provide you with a benefit amount equal to a percentage of your income during periods of prolonged absence from work due to a disability. Your claim will be administered by Medavie Blue Cross (MBC).

The benefit formula is calculated using your gross monthly salary as follows: 60% of the first 2,500 + 50% of the next 2,250 + 40% of the remainder.

Initial Criteria Before you are eligible to receive benefits, the following criteria must be met:

- Your disability must be medically documented; and currently, you must be under the care of a physician;
- Your illness or injury must span the qualifying period of 4 months; and
- For the 24 months after the qualification period, you must be totally disabled from performing the regular duties of your <u>own</u> occupation (not job); and thereafter, from <u>any</u> occupation in order to continue to receive benefits.

When to Apply If it looks as if you will be absent from work for at least 4 months and may require the use of the benefit plan, it is highly recommended that you apply for LTD benefits within 8-10 weeks following the start of your disability, regardless of whether or not you will remain on paid sick leave. Should your claim be approved, this will help to ensure you have the financial support you need if recovery takes longer than you or your healthcare professional initially thought.

LTD claim forms must be received at Pensions and Employee Benefits Division (PEBD) within 10 months following the Date of Disability, which is usually the day after your last day worked. If you are entitled to receive benefits under the *Worker's Compensation Act,* a claim (for WOP only) must be received at PEBD within 30 months following the date of disability. The Plan is not liable for benefit payments if a claim is not received within the required timeframe. However, to facilitate the start of the WOP benefit, the claim should be submitted as soon as possible after the date of disability.

Sick Leave



Discuss your accumulated paid sick leave with your Manager. If you have at least 4 months of paid sick leave to cover the qualifying period, premiums will continue to be deducted from your pay through payroll deductions.

If you have been approved for LTD benefits and you have more than 4 months of sick leave credits, you have the option of continuing your paid sick leave OR you may choose to collect the LTD benefit – it's <u>your</u> choice.

If you do not have sufficient paid sick leave to cover the 4-month qualifying period, and you have been approved for a Leave of Absence without pay, you must complete the *Continuation of Employee Benefits Coverage – Leave of Absence Without Pay / Lay off* form. Please contact your employer for this form and for further details.

Employment Insurance If you are not entitled to paid sick leave, or you have exhausted your paid sick leave credits before the LTD benefit begins, consider applying for Employment Insurance (EI) Sickness Benefits. To apply, or for more information on the EI Sickness Benefit, visit the Service Canada webpage:

http://www1.servicecanada.gc.ca/eng/sc/ei/benefits/sickness.shtml

Or call Service Canada, Toll-Free 1-800-206-7218 or TTY 1-800-529-3748.

## Appendix D

## A Claim Application Guide for Employees

Waiver of Premium (WOP) Waiver of Premium (WOP) benefits for LTD allow for the continuation of benefits, free of charge, for a specified period of time. You will be eligible if your claim is approved by MBC, and premiums have been paid during the qualifying period. Shortly after PEBD receives notification from MBC that your claim has been approved, you will receive a letter from PEBD detailing the following information:

- The benefits approved for WOP
- The effective date for benefits approved for WOP
- The maximum WOP benefit period



A new Health & Dental policy number is assigned to employees who are on WOP, but your employee Identification number will remain unchanged. If you are approved for WOP, new identification cards will be mailed to you directly from PEBD. Meanwhile, if you have a drug claim, your pharmacist should be able to locate the new policy number by contacting MBC so that your claim can be processed.

#### How to Apply

To initiate your claim for LTD benefits, the following forms must be completed and submitted to PEBD:

- Employee Statement (Form 25-1739); and
- Attending Physician's Statement (Form 25-1738). Except where prohibited by law, you are responsible for any fees your doctor charges for completion of forms or for providing medical reports.



To ensure confidentiality of your medical information, submit your completed forms directly to PEBD (address below), rather than to your employer.

Your employer will complete the Employer Statement, and send it directly to PEBD along with your job description.

To assist you in the completion of these forms, we have included samples in the pages that follow and have highlighted the areas that most commonly cause delays in claim assessment. The best thing you can do to prevent delays is to ensure that all sections are fully completed.

#### Contact Information

Appendix D

For questions on: An active or pending claim – (MBC) 1-877-347-5055 Waiver of Premium – (PEBD) 1-800-561-4012 Pension – (PEBD) 1-800-561-4012 PEBD address:

Postal Address:

Street Address:

PO Box 6000 Fredericton, NB E3B 5H1 Suite 680, York Tower Kings Place, 440 King St. Fredericton, NB E3B 5H8

Website - http://www.gnb.ca/employee\_benefits

Appendix D A Claim Application Guide for Employee
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Page 1	Important Notes on Completing the Employee Statement
	Brunswick EMPLOYEE STATEMENT - APPLICATION FOR BENEFITS CONTINUATION OF COVERAGE DURING DISABILITY (WAIVER OF PREMIUM)
	Complete and return to: Pensions and Employee Benefits Division (PEBD) Department of Human Resources, P.O. Box 6000, Fredericton, NB E3B 5H1 Telephone: (505) 453-2296 Toll Free in Canada: 1-800-561-4012 Fax: (506) 457-7388
	1. EMPLOYEE INFORMATION (Please Print)
	Name (first/last)
	Sex:       male       female       Date of Birth <ul> <li>M</li> <li>Y</li> <li>H</li> <li>Attach copy of birth certificate.</li> <li>SIN</li> <li>SIN</li> <li>Latest Occupation</li> </ul>
	2. APPLICATION FOR BENEFITS INFORMATION - Please identify which benefits you are claiming.
2 h) Domombor	a) Long Term Disability (LTD) Benefits
2.b) Remember - to complete this section if you are continuing	b) Continuation of coverage while disabled - please indicate which plans apply:     Accidental Death & Dismemberment Insurance     Supplementary Life Insurance     Health and/or Dental Plans      Policy # Identification #
your coverage	(Located on your Medavie Blue Cross ID card)
while disabled.	C) Disability Pension (under Teacher's Pension Plan only)     S. INCOME/BENEFIT INFORMATION
	Are you receiving salary continuation (paid sick leave, Yes No If yes, to what date? (d/m/y)
	Is this claim the result of a work related injury/illness - past or present?
	Has a claim been tiled under the Worker's Compensation Act? Yes No If yes, are benefits payable? Yes No Pending
	Is this claim the result of a motor vehicle accident? Yes No If yes, is there any legal action involved? Yes No
	Are you claiming or receiving salary replacement disability benefits from another group insurance, association or franchise plan?
	4. MEDICAL CONDITION AND WORK INFORMATION
	When did symptoms begin that developed into your present medical condition?
	From what date has your condition prevented you from working? (d/m/y)
	Describe your present medical condition, its cause and history. (If you were injured as a result of an accident, describe what happened, when and where it took place.)
	Which of your regular job functions could you still fulfill?
	Which of your regular job functions could you not fulfil?
	Have you attempted to return to work? Tes No If yes check where applicable: full-time part-time regular duties duties other employer
	- your regular occupation? (d/m/y) any other occupation? (d/m/y)

Dago 2		mnartant Natao ar	Completin	a the Employ	vaa Statam	ont	
Page 2	I	mportant Notes or	Completin	g the Employ	ee Statem	ent	
		Have you previously claimed long under benefit plans for Employee		on of coverage benefits Yes No			
		Have you had a similar injury or il	lness in the past?		s, describe, including if any leave was take		
4) Include additional claim details. The		Please provide any additional info considered in assessing your clai					
more information							
that is provided, the better your chances of reducing delays caused by requests	5	MEDICAL INFORMATION To reduce delays in the as hospital discharge summ List all Physicians (including any	naries - in additio	n to the Attending Pl	hysician Statem	ent Form.	
for more information		Name of Physician/Specialist	Type of Practitioner	Address		Date of next visit	-
	5	i. EDUCATION, TRAINING AND EX Highest grade level of education completed College/			-	e information where Type of Diploma _ obtained	
		College/ University Briefly describetypes of	completed	Type of Diplor obtained	ma	Year M	lajor
		employment held in last 15 years	:				
		List any technical, administrative or special interest courses taken:					
Remember to sign and date your		List skills acquired in current and (E.g. typing, operation of equipment, su		censes or designations)			
claim form!							
Optional		<ol> <li>If applicable, I hereby authorize r Signature of Employee:</li> </ol>	elease of my name to r	ny union as a Long Term D	Disability claimant.	Date:	
	8	ASSIGNMENT, CERTIFICATION	AND AUTHORIZATIO		ED)	Date	
		I certify that the information in this physician, practitioner, health car insurance company, Worker's Co administrator, to release and exch	In this form is true and complete. I understand the Claims Administrator may investigate this claim. Lauthorize my employe th care professional, hospital, health care institution, medical organization, clinic and any other medically-related facility, r's Compensation authority, Canada or Quebec Pension Plan, group plan administrator, employer-sponsored pension d exchange with the Claims Administrator and the Plan Administrator any medical or benefit payment information to process hat a photocopy of this authorization shall be as valid as the original. Lunderstand that any charges for having forms				
Required	$\rightarrow$	Signature of Employee:				Date:	
		Address and Postal Code:					
		L				Tel. No.:	
	:	25-1739 (1/14)					

To avoid delays in the processing of your claim, it is extremely important to ensure all sections are completed in full.

Appendix D	A Claim Application Guide for Employees			
Page 1	Important Notes on the Attending Physician's Statement			
	Brunswick ATTENDING PHY SICIAN'S STATEMENT – APPLICATION FOR BENEFITS 254738(1/14)			
	Instructions:     Please note:       1. Please print     The patient is responsible for the securing of this       2. Part 1 to be completed by patient.     form and any charge for its completion.       3. Part 2 to be completed by physician.     form and any charge for its completion.			
Part 1: EE must – complete this section first and	PART 1 - PATIENT AUTHORIZATION           Name:			
then give to				
physician for completion.	Social Insurance Number:			
	Signature:Date			
	PART 2 - ATTENDING PHYSICIAN'S STATEMENT			
	1. Diagnosis			
	Primary: Symptoms			
	Secondary: Symptoms			
	Other contributing factors/complications:			
	1 History			
	2. History     Symptoms began or accident     D M Y     Date of first visit for current condition:     D M Y     happened on:			
	Work ceased due to illness or injury on:     D     M     Y     Is this a work-related illness/injury?     No     Unknown			
	Has patient ever had same or similar condition? Yes No If yes, state when and provide details:			
	Relevant medical history? Please explain and give approximate dates			
	If condition is related to pregnancy, indicate date or expected date of delivery:			
	3. Clinical Findings/Investigations			
	Date of most recent examination of patient:			
	Height: Weight:Blood Pressure:Pulse:			
	Any fees that the physician may charge for the completion of			
ī	these forms are the employee's responsibility.			

#### Page 2

This information is critical to the assessment of a claim. If these reports exist and are not included with the initial submission, the assessment of your claim will be delayed by MBC's need to request them.

#### Important Notes on the Attending Physician's Statement

Cardiac:(if applicable)	Class 1 no limitation	Class 2 slight limitation	Class 3 marked limitation	Class 4 complete limitation	
	ALLCOPIES OF CURRI DISCHARGE SUMMAR			NSULTATION REPORTS,	
Any other investiga	ations planned? 🗌 Yes	□ No Ifyes, state	when and type of investiga	tion	
Is patient being trea	ated or referred to other p	hysician(s)/specialist(s)	? 🗌 Yes 🗌 No Ifyes,	please complete the following:	
Physician's Name	& Specialty	Date Patien	t last seen and next date t	o be seen	
4. General Impress	sion (Describe appearan	ce, development, nutrition	posture, gait, distress, menta	al alertness, apparent age, etc.)	
5. Treatment - Frequency of patient visits: Date of last visit: D M Y Medications? D Yes D No If yes, please provide details below.					
Current medicatio	ons		Dosage		

Surgery? Yes No If yes, please provide details below.

Type of Surgery	Date Performed or Date Planned		

Hospitalization? 🗌 Yes 🔲 No If yes, please provide details below.

Admission Date	Discharge Date	Facility	Reason

Therapy? Yes Vo If yes, please provide details below.

Type (e.g. physio, psycho, chiro)	Name of Practitioner
Is the patient receiving or in need of treatment for the use Any other treatment or future plans for treatment? (Please	

directly to PEBD.

# Frequently Asked Questions for Employers

	Important Notes on the Attending Physician's Statement
	Summarize patient's response to treatment:
	Is patient following recommended treatment? Yes No (Please elaborate.)
	6. Functional Capability - If condition is psychiatric, provide multiaxial assessment, if available. Is patient: ambulatory house confined bed confined hospital confined? Please check box that best describes patient's level of function:
	<ul> <li>No limitation of functional capacity; capable of nomal activity.</li> <li>Minimal limitation of functional capacity; capable of moderate activity.</li> <li>Medium limitation of functional capacity; capable of light activity.</li> <li>Severe limitation of functional capacity; incapable of minimal activity.</li> <li>Please provide details of any functional limitations/restrictions and provide examples of activity patient is capable of doing:</li> </ul>
	Prease provide details of any functional limitations/restrictions and provide examples of activity patient is capable of doing.
	7. Prognosis & Recovery Factors
	Prognosis and timeframe for medical recovery:
	Other factors affecting recovery? Please explain
	Please indicate factors to be considered regarding a return to work plan:
	8. Remarks
	Please provide any additional information or details that may be helpful
	Name of Attending Physician         (Please print)           Address:
Follow up with your physician	Signature: Date:
to ensure the form has been completed and	Complete and return to: Pensions and Employee Benefits Division (PEBD) Department of Human Resources, P.O. Box 6000, Fredericton, NB E3B 5H1 Telephone: (506) 453-2296 Toll Free in Canada: 1-800-561-4012 Fax: (506) 457-7388

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la Λ sus sus sus sus la la marca marca sus sus s	Frequently Asked Questions for Employers
	Fraguantiv Askad ( )uastions for Employars

Some common questions asked by Employers regarding the general administration of the Plan

#### **Question:** When do I discontinue payroll deductions for benefit contributions?

Answer: As soon as you are notified by PEBD that the employee is approved for Waiver of Premium (WOP), you should discontinue payroll deductions for the benefits for which the employee is eligible for WOP and reimburse premium overpayments, if applicable.

#### Question: Who should I contact when the employee returns to work?

Answer: In order to avoid benefit overpayments, it is very important that you advise MBC <u>immediately</u> when the employee returns to work.

Question: Should I review all of the employee's documentation to obtain missing information before it is submitted to PEBD?

- Answer: No. Reviewing the Employee Statement and/or the Attending Physician's Statement, and keeping copies for HR records is a breach in confidentiality. The employee should be instructed to submit these documents directly to PEBD.
- Question: Re. Question 14 on the Employer Statement: Has employee requested employer-paid leave as income continuance beyond the last day worked/start of disability -- where he/she does not know if he/she will use it, what date should I insert on the form?
- Answer: We recommend using the date that brings the employee to the end of the 4month qualifying period, and note that the date could change. This note will prompt MBC to confirm the last date the employee received pay prior to issuing any benefit payments. At that point, if a decision on the claim has not been rendered, the employee can re-evaluate and decide if he/she would like to extend his/her paid sick leave. Note that PEBD must be notified of any changes to this date.

Question: If an employee purchases sick time, how does the buy-back affect their LTD claim?

Answer: If the employer has permitted the employee to purchase sick leave credits (e.g. buy-back sick time) the employee should be advised that in doing so there are no changes to:

- The LTD benefit payment effective date
- The Waiver of premium effective date
- The LTD monthly benefit amount

In addition, if monthly LTD benefits have already been paid there will be no retro-active benefit payment adjustment, and there is no refund of premiums.

It is the employer's responsibility to make financial arrangements for buying back sick time.

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	Frequently Asked Questions for Employers

#### **Question:** Should I ever discourage an employee from applying for LTD?

- Answer: No, to the contrary, you should recommend that your employee submit his/her completed application to PEBD <u>no later</u> than the 8<sup>th</sup> or 10<sup>th</sup> week of disability, regardless of whether or not he/she will remain on sick leave. This will help prevent a gap in the employee's income, and prevent delays in the assessment of his/her claim.
- Question: If I want to find out the status of an employee's claim, who do I contact?
- Answer: To find out the status of a claim, you or your employee should contact MBC directly, at its toll free in NB 1-877-247-5055, or toll free outside NB / in Canada 1-800-667-4511.

# Question: If the employee has paid sick leave beyond the 4-month Qualifying Period, what should he/she consider when determining whether or not he/she should use this sick leave beyond the Qualifying Period?

# Answer: It is tempting for the employee to use sick leave beyond the Qualifying Period in order to receive 100% of salary further into the duration of his/her total disability. Here are some considerations:

- The 24-month maximum eligibility period for Health & Dental coverage WOP benefit begins immediately following the Qualifying Period, regardless that the employee has elected to use sick leave. Therefore, for example, if the employee elects to use one month of sick leave post-Qualifying Period, Health & Dental premiums will be waived for the remaining 23 months, only.
- By the same principle as above, the 24-month period that the employee is deemed to be totally disabled from his/her <u>own</u> occupation begins immediately following the Qualifying Period, regardless that the employee has elected to use sick leave in lieu of LTD benefit payments.
- If the nature of the employee's disability points to a high probability that the employee will not return to work, then the employee could determine that he/she should use sick leave to maximize income. We recommend that you do not initiate advice to the employee in these circumstances, so as to not imply a judgment on his/her possibility of recovery.

Appendix E	Frequently Asked Questions for Employers
Question:	If, for example, an employee's maximum benefit period is age 65 and he/she has accumulated <u>6 months</u> of sick leave, when can LTD terminate, and I stop his/her payroll deductions?
Answer:	The standard cessation of premiums would be 4 months prior to the date the employee reaches the maximum benefit period (age 65). See Section 9.1.
	In this case, you may stop payroll deductions <u>6 months</u> prior to the employee's maximum benefit period (65 <sup>th</sup> birthday).
Question:	Can an employee maintain coverage if he/she is going to work in Afghanistan or on a Relief Mission, such as the one in Haiti?
Answer:	These questions must be answered on a case-by-case basis. These countries are <u>currently</u> considered "hostile environments" by insurance carriers, but may not be in the future. Insurance carriers also consider what the employee is doing in the country. For example, if the employee is going as a military reservist, they would be excluded under the Limitations and Exclusions as "service in the armed forces." In some cases, coverage may be excluded from Health/Dental and Travel group insurance, but approved for Life and AD&D therefore, PEBD must check with the carrier on each case.

Appendix E	Frequently Asked Questions for Employers
	Some common questions asked by managers/supervisors regarding the RTW plan:
Question:	Do I have to pay my employee during the gradual return to work program?
Answer:	Employers are expected to pay the employee for hours worked when the employee is able to perform his/her duties without the assistance of extra staff.
Question:	What happens if we are unable to identify alternate, suitable work for the employee?
Answer:	Disability Claim Specialists (DCS) & Rehabilitation Consultants (RC) are skilled in assisting to identify transitional and alternate employment options for disabled employees. This can be discussed during the RTW meetings.
Question:	What guidelines are used to plan for a return to work?
Answer:	Once it has been established that the employee is able to return to work, the following sequential rehabilitation objectives apply:
	a) Return the employee to the same work with the same employer
	<ul> <li>Return the employee to the same (modified) work with the same employer</li> </ul>
	c) Return the employee to different work with the same employer
	d) Return the employee to different work with a different employer
	e) Training and education
	Based on the above objectives, most often, a gradual return to work plan is implemented as a means to reintegrate an employee into his/her workplace in a timely and successful manner.
Question:	What if the employee refuses modified work?
Answer:	The DCS or RC will evaluate the proposal, and consider the reasons for refusal. If the DCS or RC considers it reasonable, the employee's benefits will be adjusted, effective on the date of the decision. If the reasons for refusal do not meet the DCS's or RC's expectations, then the employee has a decision to make concerning his/her continued employment.

#### Question: How long will the GRTW period last?

Answer: While the duration will depend on the disabled employee's recovery, normal RTW programs last approximately 6-8 weeks. However, there are exceptions. Revisions may be made as the employee's condition changes. If it is determined that there will be permanent work restrictions, then the modified work plan may be made a part of the rehabilitation plan.

#### Question: Can I terminate an employee after 28 months?

Answer: Although employers are prohibited from terminating an employee's employment due to disability within 28 months from the employee's date of disability; beyond the 28-month period, the employer's actions are governed by Human Rights legislation. Employers should base their HR policies on legal advice. The source of this, for many Public Service employers, is the Employment and Administrative Law Group within Legal Services, Department of the Office of Attorney General.

Appendix E	Frequently Asked Questions for Employees
	Some common questions asked by employees regarding the return to work (RTW) plan:
Question:	Who decides when I should return to work?
Answer:	Progress reports are sent by the Health Care Provider to the Disability Claims Specialist or Rehabilitation Consultant who then decides if the employee is fit to RTW; and will contact the employee to set a date to discuss the development of an action plan.
Question:	What if I am unable to do the job that I was doing before my injury or illness?
Answer:	The Disability Claims Specialist or Rehabilitation Consultant and the manager/supervisor will work with the employee to determine if there are other duties that can be done in the interim. This may mean modifying the current duties by reducing the hours or performing modified tasks.
Question:	Does my employer have to hold my job until I am fit to return to work?
Answer:	The employer may hold, at least, an equivalent job for up to a 28-month period.
Question:	What happens if I am considered medically fit to return to work, but I choose not to?
Answer:	When the Disability Claims Specialist or Rehabilitation Consultant finds the employee medically fit to RTW, the employee is expected to do so. If the employee decides not to return, then benefits can terminate.