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6 PAID SICK LEAVE AND LONG-TERM DISABILITY

6.1 Paid sick leave

Paid sick leave involves full or partial replacement earnings that a member receives from you, an insurance company, or a trust company. These benefits are usually received when an illness or injury is not work related (which would be covered by WorkSafeBC) and the member does not yet qualify for long-term disability (LTD). Paid sick leave may also be called:

- short-term disability
- weekly indemnity benefits
- short-term illness and injury plan (STIIP)
- sick bank

Paid sick leave does not require approval from the Municipal Pension Plan. This benefit is usually negotiated in a collective agreement. If you are paying sick leave to a member through your payroll system, you must report service and salary and remit contributions based on the member's work schedule and salary before the illness or injury. On your payroll report this service, salary and contributions is reported as service event type as Regular (RG).

If the sick leave is paid at 100 per cent, report 100 per cent service, salary and contributions. If the member is paid a reduced salary while receiving paid sick leave, you must report the service, salary and contributions as if the employee was not sick.

EXAMPLE

Full-time member on a reduced salary:

- works a 7 hour shift and pensionable salary earned for that shift is \$175
- The member becomes ill and is unable to work for 5 shifts
- The member receives 80 per cent of the normal pay (\$175) for those shifts
- If the person in this position is full-time they would work 1820 hours a year Pensionable salary, service and contributions for that week would be calculated as if the member received the full salary.

To calculate this:

You pay the member:

$$\$175 \times 5 \times 80\% = \$700$$

You include on the payroll report:

$$\text{Pensionable Salary} = \$175 \times 5 \text{ days} = \$875 \text{ (not reduced)}$$

$$\text{Pensionable Service for sick leave period} = 35 \text{ (5 days} \times 7 \text{ hour shift)} / 1820 \text{ (FTE annual hours)} \times 12 \text{ (months)} = 0.2308 \text{ months}$$

$$\text{Contributions} = \$875 \times 7.8\%^* = \$68.25$$

* Use the Municipal Pension Plan contribution rate for the current year

Note: Hours worked in a week may differ/change according to your collective agreement.

If a **third party** (e.g., an insurance company or trust company) is paying the sick leave directly to the member, you can either treat these payments as pensionable or non-pensionable earnings.

If you treat these third party payments as **pensionable** earnings, you must report this service, salary and contributions on your payroll report as RG service. This is reported based on the member's work schedule and salary before the illness or injury.

Note: If the practice of reporting third party payments as pensionable earnings is new to you, you can start to do this at any time and you can make the change retroactive to the start of the calendar year in which you make the change.

If you treat the third party sick leave payments as **non-pensionable** earnings, ensure your members know that they are not being credited with service. They may be able to purchase this time as a leave without pay to increase their service. Refer them to the *Purchasing leaves of absence* publication on the website or complete and submit the *Purchase of Service Application*.

6.2 Group disability plans

Many employers have LTD policies that provide benefits to employees who become disabled. You may wish to have your LTD policy approved as a group disability plan under the Municipal Pension Plan Rules.

If a member is receiving LTD benefits under an LTD plan, neither the employer nor the member contributes to the plan, but the member still accrues pensionable and contributory service. You cannot terminate an employee for pension purposes until the carrier terminates the LTD claim. Although you consider the member to have terminated employment for other reasons, the member has not terminated employment for pension plan purposes.

For example, even if you are no longer required to offer them a position (if the period of disability ends because a “two year—own occupation” time frame has passed), the member has still not terminated employment for pension plan purposes. Do not submit Employee Information at Termination/Retirement data while a member is receiving benefits under an LTD plan. When the member stops receiving LTD benefits and has chosen to terminate their employment, only then submit Employee Information at Termination/Retirement online (see section 3 for more information on terminating employment and section 6.3 for information on employer reporting for members receiving benefits under an LTD plan).

If you have an LTD policy that is **not approved** as a group disability plan under the plan rules, plan members receiving LTD benefits will not be credited with service for the LTD period. The member will be either terminated from the pension plan, or on an approved leave of absence, depending on your employment practices for employees on LTD.

6.2.1 LTD policy approval criteria

The Municipal Pension Board of Trustees has set out the following criteria for the approval of an LTD policy as a group disability plan. All three criteria must be met before a group disability plan can be approved:

1. When the disabled plan member starts receiving benefits, the disability plan must provide for continuous coverage to the member until one of the following events occurs:
 - the plan member attains normal retirement age,
 - the plan member accrues 35 years of service, or
 - the plan member returns to active employment.
2. The disability plan must provide that the gross benefits paid during the period of disability will replace at least 50 per cent of the gross salary the plan member earned during employment immediately prior to the disability period. Where the benefits payable under the LTD policy are subject to a non-evidence limit, the LTD policy may still be approved if that limit is at least \$2,500 per month, or if none of the covered employees earn in excess of double the limit. Where there is no non-evidence limit but there is a maximum amount that the LTD policy will pay, the LTD policy may still be approved if that amount is at least \$2,500 per month or none of the covered employees earn in excess of double the amount.
3. The disability plan must include a definition of disability which takes into consideration the plan member's vocation, training, education and experience.

If you have more than one LTD policy to cover different groups of employees, each policy needs to be approved individually.

6.2.2 Applying for LTD policy approval

Please use the *Group Disability Plan Application* form, available at mpp.pensionsbc.ca, if you have an LTD policy that you would like to have approved as a group disability plan.

If you have more than one LTD policy to cover different groups of employees, each plan needs to be approved individually.

To apply to have your LTD policy approved, submit the Group Disability Plan Application form and required attachments to the Policy Branch of the Pension Corporation. If your LTD policy meets the criteria and is approved by the Pension Corporation as an approved group disability plan, we will notify you and update our records.

If the policy does not meet the criteria, we will notify you, and you will have the option of amending your policy and re-applying.

Even if your LTD coverage is provided through the Healthcare Benefits Trust (HBT), you must apply to the Policy Branch of the Pension Corporation if you would like to have your LTD policy approved.

If you change LTD carriers or any terms of the LTD policy, you need to contact the Policy Branch of the Pension Corporation to ensure that the plan still meets the criteria. If the new terms do not meet the approval criteria, we will notify you so you can change the plan to meet the criteria.

If your LTD policy changes or is amended, you will be required to submit a *Group Disability Plan Application* form and supporting documentation to the Policy Branch of the Pension Corporation to confirm the policy still meets the criteria. The form is available at mpp.pensionsbc.ca.

6.2.3 Annual LTD policy validation process

All organizations are required to validate their group disability policy information annually. If you have an approved group disability policy, you will sign into the secure employer website to access the online LTD Policy Validation tool to confirm your LTD information.

If you do not have an approved group disability plan, you will still need to sign into the secure employer website to access the online LTD Policy Validation tool to confirm that you do not have an approved LTD policy (policies).

Prior to completing the annual validation process for the first time, you will need to identify the person(s) in your organization who should have access to validate the details of your LTD Policies. Your primary or secondary user will have to assign the role of LTD Policy Validator to these individuals.

Only staff with the LTD Policy Validator role can access the online LTD Policy Validation tool.

Access to the tool is through a link on the secured employer section of the pension corporation website, and is available for a limited time. On selecting the link during the LTD Policy Validation window, your LTD Policy Validator will see a list of all of your open approved LTD policies. We require the LTD Policy Validator to review the details of each policy, and validate that the policy is CORRECT, REQUIRES UPDATE, or has been TERMINATED. If a policy has been terminated, the termination date is required.

If a message is displayed showing that we have no open approved LTD policies on record for your organization, you are required to validate this statement is CORRECT. If the statement is incorrect, select REQUIRES UPDATE.

If the validation process reveals that the information on file about your LTD policy is out of date, you will be required to submit a *Group Disability Plan Approval* form and supporting documentation to the Policy Branch of the Pension Corporation. The form is available at mpp.pensionsbc.ca.

6.3 Long-term disability (LTD)

LTD is pensionable when an employer has an approved group insurance/disability plan that pays replacement earnings to qualified members.

For pension purposes, the LTD start date is the date the LTD carrier/administrator has accepted the member to be on a LTD claim.

Once the member has been accepted on LTD, they:

- continue to accumulate pensionable and contributory service in the pension plan as if they were still working, and
- their highest average salary, which is used to calculate their retirement benefit, will be indexed to keep pace with the cost of living.

Members on LTD can view their pension information, and access online tools like the personalized pension estimator, through My Account.

6.3.1 Reporting long-term disability (LTD) information

You must notify us as soon as you are aware that a member has started or stopped LTD.

Based on the LTD start information, the member receives LTD pensionable and contributory service credited automatically to their account each year.

It is important to enter the member's LTD stop date as soon as the period of disability coverage ends so that excess LTD service is not automatically credited to the member's account.

6.3.2 Long-term disability (LTD) reporting options

There are **three** ways for you to report your members' LTD information: individual record, standard format file or Excel file.

If any errors occur while you are submitting LTD information, you may receive a message requesting that you correct and resubmit the information.

Once the information has been submitted, the data goes through an overnight process which may uncover additional errors.

If errors are identified during this overnight process, we will follow up with the person submitting the data.

6.3.2.1 *Individual record*

Sign in to the Employer Login section of the website; select Employer Reporting and then select LTD Start/Stop. Follow the prompts to enter the mandatory data.

When you enter the member's SIN you will be able to:

- enter the LTD start date if there is **not** an existing open LTD break for the member.
- enter the LTD stop date if there **is** an existing open LTD break.

Optional Service Event

If you are entering a LTD start, you can record regular (RG) service, salary, and contribution information that you paid to the member in the current year prior to their LTD start date.

If you are entering an LTD stop, you can record rehabilitation (RH) service, salary, and contribution information that was paid during the current year while the member was on LTD.

Note that the data entered here **does not** transfer to your member's account. The applicable RG and RH service event types (see section 7) **must** be included on your payroll report as separate lines of data.

If you enter information here, you can access it at any time on the website by selecting the RG/RH Reconciliation Report. This report can help you create either your payroll report or a secondary report to supplement your payroll report.

If your organization currently reports your members' RG/RH information on your payroll report, you may not need to complete this section.

The start date must be on or after July 28, 2014 (online LTD tool implementation date).

LTD Start and Stop Submitted Report

This report allows you to view all submitted LTD start and stop information, track employees on LTD, and reconcile service event starts and/or stops.

Access the report from the website under the LTD Start/Stop section of the Employer Reporting portal. To generate a report, select LTD Start/Stop Submitted Report, enter the applicable start and stop dates then click Generate Report. If any information has been submitted by the Pension Corporation on your behalf, it will appear on your next report.

6.3.2.2 Standard format file

You can report LTD information for multiple members at the same time by using a standard format file, which is the preferred method of providing data. A standard format file is a fixed width file requiring a Header record that identifies the contents of the report, and a Trailer record that provides totals of the records within the file.

The requirements for the LTD Standard format file report are located in the *Employment Record Layout* instructions located in the Employer reporting section of the website. The *Header and Trailer Record Layout* instructions are in the same location.

The applicable RG and RH service event types (see section 7) **must** be included on your payroll report as separate lines of data.

Reporting salaries on standard format files:

It is **imperative** that the base salary you report reflects the salary at 100 per cent full-time work.

In the “Base Salary Frequency” field, enter the frequency that you pay the member their base salary:

- bi-weekly (BW),
- monthly (MN), or
- annually (AN).

If a member works at less than 100 per cent, report the salary at 100 per cent equal to the frequency you pay the member.

EXAMPLE

A member owns an 80 per cent position and is paid \$60,000 annually (80 per cent of the full-time salary of \$75,000).

When reporting this member’s information, you must provide us with the member’s percentage (in this case, 80 per cent) as well as the salary the member would be making if they were working in a 100 per cent position.

In the “Base Salary” field, enter \$75,000. In the “Base Salary Frequency” field, enter AN. Using this information, our system will convert the \$75,000 annual salary that you report to \$60,000. This converted salary will be used to create the member’s Pension Adjustment (PA) and *Member’s Benefit Statement* (MBS).

6.3.2.3 Excel File

If you are not able to submit in Standard format, you can create an Excel file to report multiple members’ LTD information at the same time.

In the Excel file, you must provide the data in the correct column order with no header row. You can find instructions in the *LTD Service Break Record Layout* document in the Employer Login section of the website.

The applicable RG and RH service event types (see section 7) **must** be included on your payroll report as separate lines of data.

6.3.3 Position owned (%)

Enter 100 in this field if the member owns a 100 per cent full-time position. If the member owns a part-time position, enter the corresponding percentage. This number is based on the member's owned position, not the hours worked.

EXAMPLE

If the member owns a 63 per cent position, but usually works 89 per cent, enter 63.

6.3.4 School district members working less than 12 months in a year

The plan is a 12 month plan. Therefore, plan members who are employed only during the 10-month school term (e.g., teachers' aides, school bus drivers, custodians, lunch-time playground supervisors, and administrative support staff) receive prorated service based on the portion of the year they work.

EXAMPLE

A member owns a 100 per cent position and only works during the 10-month school term and goes on LTD. To calculate their LTD percentage, divide the number of months worked (in this case 10) by 12 months.

$$10 \text{ months} \div 12 \text{ months} \times 100\% = 83.33\%$$

In this case, enter 83.33 in the percentage field when reporting LTD start information.

EXAMPLE

A member owns a 45 per cent position and only works during the 10-month school term and goes on LTD. To calculate their LTD percentage, divide the number of months worked (in this case 10) by 12 months, then multiply this amount by the percentage of the position owned.

$$10 \text{ months} \div 12 \text{ months} \times 100\% = 83.33\%$$

$$83.33 \times 45\% \text{ (position owned)} = 37.50\%$$

In this case, enter 37.50 in the percentage field when reporting LTD start information.

There are some professional employees at school districts (e.g., speech pathologists and psychologists) who receive an annual salary paid in 10 equal payments. Their pensionable and contributory service is credited at 12 months. Therefore, their LTD percentage will be 100 per cent.

Reporting salaries on Excel files:

In the “Base Salary Frequency” field, enter the frequency that you pay the member their base salary:

- bi-weekly (BW),
- monthly (MN), or
- annually (AN).

If a member does not work in a 100 per cent position, do not report the reduced salary that the member receives.

EXAMPLE

A member owns an 80 per cent position and is paid \$60,000 annually (80 per cent of the full-time salary of \$75,000).

When reporting this member’s information, you must provide us with the member’s percentage (in this case, 80 per cent) as well as the salary the member would be making if they were working in a 100 per cent position.

In the “Base Salary” field, enter \$75,000. In the “Base Salary Frequency” field, enter AN.

Using this information, our system will convert the \$75,000 annual salary that you report to \$60,000. This converted salary will be used to create the member’s Pension Adjustment (PA) and *Member’s Benefit Statement* (MBS).

6.3.5 Successive disability

LTD policies may have a successive disability clause. Successive disability usually occurs when a member returns to LTD because of an illness or injury related to their original LTD claim. Successive disability is normally within a certain number of months (as deemed by the LTD policy) from the member’s return to work date.

If this occurs, you must report the successive disability information online. You can find the LTD reporting process under the *LTD reporting options* subheading above.

6.3.6 WorkSafeBC section 16 (Vocational Rehabilitation)

Vocational Rehabilitation Allowance (under section 16 of the *Workers Compensation Act*) is often affiliated with the Healthcare Benefits Trust (HBT).

If a member is approved to receive a Vocational Rehabilitation Allowance, and the LTD policy is an approved group disability plan, for pension purposes the member is deemed to be on LTD and you must submit an LTD start online. If any pensionable salary is paid to the member while on LTD, submit this information on your payroll report as rehabilitation (RH) earnings.

If the Vocational Rehabilitation Allowance is approved retroactively and you previously reported regular (RG) service, contact us through the Message Board and provide:

- the service, salary and contributions that stay under service event type RG.
- any service, salary and contributions to be recorded as service event type RH.
- any portion of this period that contains ineligible contributions (see sections 7 and 8).

6.3.7 WorkSafeBC compensation

There are two options for members receiving WorkSafeBC compensation:

Option 1: Replacement salary is paid directly to the member by WorkSafeBC

Replacement salary paid directly to the member by WorkSafeBC is **not** pensionable. Service, salary and contributions are not reported. For pension purposes the member is deemed to be on an unpaid leave of absence and they may be able to purchase this period of time under the plan's leave of absence purchase provisions (see section 2).

Option 2: Replacement salary is paid to the member through your payroll process

If you receive a member's WorkSafeBC replacement salary and pay the member through your payroll system, the earnings are pensionable. You and the member must make contributions on these earnings.

The member **cannot** be on approved LTD during this payment period. If WorkSafeBC replacement salary is less than their normal percentage of full-time salary and service, they may be able to purchase the difference (see section 2).

6.3.8 Retroactive WorkSafeBC compensation

It is common for a LTD claim or a WorkSafeBC claim to be approved retroactively. For pension purposes, a retroactive claim is one with dates for prior year(s).

Possible scenarios:

- If a member was receiving a benefit from an approved group disability plan and the carrier no longer recognizes the period as an LTD benefit then retroactive WorkSafeBC replacement salary is pensionable. The period must be purchased as arrears (see section 2). Any previous LTD service reported to the Plan must be reversed.
- If a member is receiving a benefit from an approved group disability plan, retroactive WorkSafeBC replacement salary is not pensionable.
- If a member is on an approved LTD policy, retroactive WorkSafeBC replacement salary is **not** pensionable.
- If the member is not on LTD and the WorkSafeBC claim is retroactively paid, the period **must** be purchased as arrears (see section 2).
- If WorkSafeBC has been sending you the member's replacement salary to be paid through your payroll, and then the LTD carrier backdates the member's LTD start date, request a refund of overlapping ineligible contributions (see section 8).

6.3.9 Rehabilitation (RH) salary

If a member returns to work on a rehabilitative trial, the service, salary and contributions paid to them are reported as service event type RH on your payroll report (see section 7).

Although the RH data you report **is not** used in the calculation of the retirement benefit, the LTD service credited during this period **is** used.

6.3.10 LTD termination date

For pension purposes, a member on LTD is **not** considered terminated even if you have removed them from your payroll system for any reason. You will still be required to confirm the member's information on the segment LTD Confirmation Report.

For pension purposes, the member's LTD stop date is the earlier of:

- the date the claim ends per the terms of the approved group disability plan, or
- the member's date of death.

If the LTD stops and the member is age 55 or older, but under age 60, the member may apply for either a regular pension or a disability benefit.

If the LTD stops and the member is under age 55, the member may apply for a disability benefit. If the member does not wish to apply for or is not eligible for a disability benefit, the member is eligible for the regular termination of employment options. See section 3.

If a member terminates employment at the end of their LTD, you must:

- submit LTD stop information online
- submit Employee Information at Termination/Retirement online if the employee is not returning to work

Please note: the Employee Information at Termination/Retirement must be submitted the day after the LTD stop information.

Members who return to work and recommence contributions to the plan are still active plan members and are not entitled

to any retirement or termination benefits until they have terminated employment.

If the member has started their receiving their retirement benefit and LTD is reinstated, they must notify us. We will then provide guidance.

When the member has been terminated from LTD and is appealing the termination, they should still complete the *Termination of Group Disability Plan Benefits* form because this form documents their retirement benefit effective date which may be backdated if the appeal is unsuccessful. The form is available by contacting the plan.

If a member accepts a lump-sum payment to end the LTD, the member is not eligible for a disability benefit.

In the case of the member's death, submit the LTD stop information online. You must also complete and submit a *Certification of Death* form.

These forms are located in the Forms section of the Employer Login website.

6.3.11 Change of long-term disability (LTD) carrier/plan

If you change carriers or any terms of your existing approved group disability plan(s), you must follow the approval process outlined earlier in this section.

6.3.12 Payroll reporting and long-term disability members

To avoid overlapping service events, the effective start date and effective end date for each member on your payroll report must reflect the actual period of time worked.

If a member is accepted on LTD, their LTD start date will only be accepted if the end date for their regular (RG) service event prior to the LTD was submitted correctly. For further payroll reporting information see section 7.

EXAMPLE

If a member's last day at work is May 10, May 10 should be the end date for the RG service event on your payroll report.

If the member is accepted on LTD on May 11, and you enter this date as the LTD start date online, it will be accepted.

After a member has been accepted on LTD and their LTD information has been entered online, the only service, salary and contributions that can be reported on your payroll report is service event type rehabilitation (RH). RH earnings may include salary top up, period(s) the member has returned to work on a trial basis, and any pensionable salary that the collective agreement stipulates must be paid to the member (e.g., sick leave).

6.3.13 Pensionable service overlap

A member on LTD receives pensionable and contributory service posted to their account as service event type LT if they were on LTD for any period during the year.

In the year that the member starts or stops LTD, an overlap of service may occur if the LTD service we post and your payroll reported service goes over the maximum allowable. If this occurs, we will reduce the LTD pensionable service and/or make any adjustments you have identified.

6.3.14 Ineligible service, salary and contributions

In some cases a member's LTD acceptance from the carrier is backdated. If you have been paying the member through the normal payroll process (e.g., using sick leave, other leave banks or WorkSafeBC replacement salary) and have previously reported this service, salary or contributions, you may need to apply for an ineligible refund (see section 7).

6.3.15 Pension adjustment (PA)

When a member has been approved for paid sick leave and/or LTD, service accumulates in their account and they will receive an annual PA statement to file with their income tax return (see section 9).

The benefit entitlement (BE) for a member receiving benefits under an LTD plan is calculated using the salary at the start of the LTD period. Cost of living adjustments are also factored into the calculation.

6.4 LTD Confirmation Report

Annually, an LTD Confirmation Report is posted in the File Pick-up portlet in the Employer Login section of the website.

This report summarizes the information for all your members who are or have been on LTD at the time the report was created. The report only contains posted LTD information that has been successfully entered on your members' accounts prior to the Create Date identified in File Pick-up.

The LTD Confirmation Report contains the following information:

COLUMN TITLE	DESCRIPTION
Plan	MPP
Org	Your employer number
PLAN_ABBREV_NM	MPP
Last Name	Member's last name
First Name	Member's first name
SIN	Member's SIN
EEgrp	Member's employee group (e.g., 04GENRL)
% FT	Percentage the member is entitled to as identified at the LTD start date.
Emply Break Start	Member's LTD start date as entered online
Emply Break End	Member's LTD stop date as entered online
SE Start Date	Member's LTD start date if the LTD started in the current segment. If the LTD start date is not in the current reporting segment, it will be the first day of the calendar month in the current segment.
SE End Date	Member's LTD stop date if the LTD stopped in the current segment. If the LTD stop date is not in the current reporting segment, it will be the last day of the calendar month in the current segment.
Pensionable Srvc	The full amount of service for the segment or prorated service if the start date is in the current segment (see example below).
Contrib Srvc	Contributory service displayed in full months for each month or partial month the member was on LTD for the segment.
Barg. Unit	Member's union affiliation and/or bargaining association.

EXAMPLE

A member is accepted on LTD with a start date of July 10. The member owns a full time position at 100 per cent.

The LTD pensionable service for the first segment totals 5.7097 months.

To calculate this:

Prorate service for July (on LTD for 22 calendar days in July) divided by the total calendar days in July: $(22 \div 31 = 0.7097)$.

Add five full months of pensionable and contributory service (one full month each for the months August through December).

When the December LTD Confirmation Report is posted to File Pick-Up, you **must** review the report and create a message board topic confirming your review.

If any information on the report is inaccurate, you will need to provide the correct information:

- If an LTD member is not on the report and should be, submit their LTD start information online.
- If a member is on the report and they have stopped LTD, notify us through a Message Board topic.
- If the % is incorrect, notify us through a Message Board topic.

LTD pensionable and contributory service is posted to members' accounts in December. This posted service forms part of the member's benefit entitlement and is included in their *Member's Benefit Statement*. **This is why reviewing and confirming the LTD Confirmation Reports is a critical step.**

6.5 Disability benefit

Members should apply directly to the Pension Corporation for a disability benefit.

A disability benefit is a monthly payment paid to members while they are totally and permanently disabled. It is only available to members who are not entitled to benefits from an LTD policy that has been approved as a group disability plan, or if those benefits end.

Members should apply directly to the Pension Corporation for a disability benefit.

6.5.1 Eligibility

Disability benefits are paid to eligible members who are “totally and permanently disabled,” which is defined as follows:

A member is totally and permanently disabled if the member is suffering from a mental or physical condition that

- a) prevents the member from engaging in any employment for which the member is reasonably suited by virtue of the member’s education, training or experience, and
- b) can reasonably be expected to last for the remainder of the member’s lifetime.

The member’s doctor and a doctor appointed by the corporation must certify, in writing, that the member is totally and permanently disabled.

In addition to being totally and permanently disabled, the following criteria must be met for the member to be eligible for a disability benefit. The member must:

- not be entitled to LTD benefits from an LTD policy that has been approved by the Pension Corporation,
- have at least two years of contributory service,
- apply by age 60 (55 for public safety employees),
- have terminated employment, and
- not have accepted a lump-sum payment to settle an LTD claim (the member may be entitled to termination or retirement benefits in this situation).

Note: If the member terminated employment before July 1, 2008, contact the plan.

Once a member has been granted a disability benefit, the member must submit to medical examinations not more than once per year until age 60 (55 for public safety employees).

6.5.2 Application and deadlines

There is a two year deadline to apply for a disability benefit.

The member must apply in writing to the corporation within two years of their last contribution to the plan (or within two years of their last deemed contribution while receiving benefits under an LTD plan).

If a member:

- has applied for LTD benefits, has been denied, and is appealing the denial, or
- has been receiving LTD benefits, the LTD carrier has terminated the benefits and the member is appealing the termination of benefits,

the member should make sure to apply in writing to the plan for a disability benefit within the two-year deadline. They should indicate in their application letter that they are appealing the LTD denial and whether they wish to immediately proceed or delay the application for a disability benefit until the outcome of the appeal is known. Members should maintain contact with us to let us know the status of their appeal.

If a member is receiving benefits under an LTD plan they cannot receive a disability benefit. Therefore, if a member who has been granted a disability benefit and starts receiving LTD benefits or if LTD is reinstated retroactively, the disability benefit is suspended and will have to be repaid, with interest. The member can apply for a retirement or disability benefit when the LTD benefits end.

6.5.3 Pension calculation

Disability benefits do not include a bridge benefit.

If a member has a spouse, the disability benefit is paid as a 100 per cent joint life and last survivor pension (JLLS).

This benefit pays during the period of disability and for the member's life, as long as the member remains totally and permanently disabled until at least age 60 (55 for public safety employees). If the member dies before the spouse, the pension continues for the life of the spouse.

If the member has no spouse, or the spouse waives their entitlement in writing, the disability benefit is paid as a single life pension with no guarantee. This benefit pays during the period of disability and for the member's life, as long as the

member remains totally and permanently disabled until at least age 60 (55 for public safety employees).

Disability benefits:

- do not include the bridge benefit,
- are subject to the same COLA adjustments as regular pensions, and
- may provide the member with medical, extended health and dental benefits.

See section 4 for information about group health benefits and COLA.

The monthly amount of the disability benefit is calculated using the member's accrued pensionable service, plus 50 per cent of the "possible" service they would have accrued between the benefit effective date and earliest pensionable age, had they remained in service and continued to receive the same service and salary they earned immediately before the disability. This "possible" service will be different for part-time members than it will be for full-time members.

6.6 Period of disability ends

6.6.1 LTD benefits end

If a member's LTD benefits end,

- the member does not recommence contributions to the plan,
- the member's employment is terminated, and
- the member's options depend in part on the member's age.

If the member is age 55 (50 for public safety employees) or older, the member may apply for a retirement benefit or for a disability benefit, if under age 60 (55 for public safety employees).

If the member is **under** age 55 (50 for public safety employees), the member may apply for a disability benefit.

If the member does not wish to apply for, or is not eligible for a disability benefit, the member is eligible for the regular termination of employment options. See section 3.2.

Members who recommence contributions to the plan are still active plan members and are not entitled to any retirement or termination benefits until they have terminated employment.

6.6.2 Disability benefit ends

If, after being granted a disability benefit, a medical examination shows that the member is no longer totally and permanently disabled, and they are under age 60 (55 for public safety employees), the disability benefit stops.

Employers have no role in this process.

If the member returns to work and begins contributing to the plan again, then the member's eventual pension or termination benefit is paid as though the disability pension had never been paid. The member's retirement benefit is not adjusted in any way because of the disability benefit, although the member will not have any service for the period of disability.

If the member does not return to work and does not contribute to the plan again, then they can apply for their retirement or termination benefit under the usual rules. The retirement or termination benefit is paid based on the member's accrued service and salary, with no adjustments, but without the additional service that was used to calculate the disability benefit.