

Group Insurance Coverage and Pension Eligibility for Employees while on Long Term Disability and Worker's Compensation

Passed By Council on:04/27/1997

Purpose

To set uniform policy, applicable to all employees, regarding insurance coverage and pensionable service while in the receipt of Long Term Disability and Worker's Compensation benefits.

Policy Statement

GROUP INSURANCE COVERAGE FOR EMPLOYEES ON LONG TERM DISABILITY

The City will maintain group insurance coverage applicable to the group the employee belongs to, on the cost shared basis applicable to that group. The Benefits Administrator will request the LTD carrier to remit the appropriate premium payment to the City each month. If this deduction is not authorized and the employee does not remit the required premium the benefit coverage will cease. If and when the LTD payments cease, then the group insurance coverage shall also cease.

PENSION COVERAGE FOR EMPLOYEES ON LONG TERM DISABILITY

Employees in receipt of the LTD benefits shall continue to maintain membership in the City Group Pension Plan. The Benefits Administrator will advise the LTD carrier to remit the appropriate contribution to the City Group Pension Plan each month. The contribution and the resulting benefit will be based on pre-disability salary.

Where an LTD claim requires a period of UIC sickness benefit, the City will maintain the group insurance coverage at no cost to the employee during the period of that UIC coverage. However, in order for this UIC period to be pensionable service, the employee must pay his/her share of the contribution based on salary last earned.

GROUP INSURANCE COVERAGE FOR EMPLOYEES ON WORKERS' COMPENSATION

The City will maintain group insurance coverage applicable to the group the employee belongs to, on the cost shared basis applicable to that group. The employee will be responsible for remitting their portion of the premium to the Benefits Administrator each month commencing with the month following the 30th day after the employee was injured. If the premium is not remitted, coverage will be maintained and an attempt will be made to make arrangements for payment. If no arrangements can be made coverage will be maintained and the employee notified that the premiums will be deducted from the first cheque after return to work or from any final payment made closing the employee's payroll account with the City. If and when the Workers' Compensation payments cease, then the group insurance coverage shall also cease.

PENSION COVERAGE FOR EMPLOYEES ON WORKERS' COMPENSATION

Employees in receipt of Workers' Compensation Temporary Earning Loss and Rehabilitation benefits

(as defined by the Workers' Compensation Act) shall continue to maintain membership in the City Group Pension Plan. The employee will be responsible to remit their monthly pension contribution to the Benefits Administrator each month. The contribution will be based on pre-disability salary level. If the premium is not received by the last day of the month then that month shall be deemed not to be pensionable service. At the point an employee returns to work he/she shall be given an option to pay any unfunded pensionable months which occurred during that particular absence on Workers' Compensation at the normal compensation rate. If he/she does make payment then that service will be reinstated as pensionable service. This offer will be available for ninety (90) days and will not be repeated. Any service purchased by an employee under this section after the ninety (90) day window will be at full actuarial cost.

GROUP INSURANCE COVERAGE FOR EMPLOYEES WITHOUT LONG TERM DISABILITY COVERAGE

Employees who have exhausted their sick leave benefits and EI sick leave benefits (where applicable) and who do not have Long Term Disability Insurance will be maintained on the appropriate group insurance plan for a period of three calendar months from the date sick leave benefits from all sources expire. The City will pay the full premiums for such employees for this three (3) calendar month period after which time benefits will cease.

Application

Responsibilities

Benefits Administrator, Department of Human Resources.

Definition

References/Appendix

Monitoring and Contravention

Approvals

Finance and Administration Standing Committee Report - April 18, 1997; Regular Meeting of Council - April 28, 1997; Finance and Administration Standing Committee report - May 19, 2004; Regular Meeting of Council - May 31, 2004.

Review Period

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