

Understanding Your Long Term Disability

What is Long Term Disability?

Long Term Disability (LTD) is insurance that protects your income in the event that you become disabled and cannot work. This can happen to anyone at any age and could be the result of a number of things such as accidents, illness and disease. Our current LTD is provided by Sun Life Assurance of Canada.

Why doesn't CLS pay this premium along with my other benefits?

You pay 100% of the monthly premium for this benefit because if you cannot work, and receive payments, the money you receive is tax free. If CLS paid the premium for you, you would pay income tax on any money you received.

How long would I be covered for if I was disabled?

The current plan design will cover you up to the age of 65 provided your supporting medical information indicates that you are completely unable to work in any job.

What does "Qualifying Period" mean?

The first 16 weeks of your illness or injury is called a qualifying period during which you are not paid LTD benefits. You may have enough money in your sick leave bank to cover your wage loss during this time. If not, then you may wish to make a claim with Employment Insurance. After about 8 weeks, Employee Services will send you a package to begin the process for an LTD claim. CLS, you and your family doctor/specialist(s) each have to complete various forms giving Sun Life all the information they require. It's very important that you complete your forms and keep in touch with your doctors to ensure they are taking care of their paperwork quickly. The sooner Sun Life has all the information, the quicker they can make a determination. Then, when the qualifying period is completed, you don't have to wait for your money to be available. It takes several weeks for Sun Life to process all the information they need to determine if you qualify for payments.

What does "Own Occupation" mean?

The first two years of your illness or injury are covered under a clause called your "Own Occupation". This simply means that, if you are unable to do your job at CLS you are covered for two years. After that, the clause called "Any Occupation" begins. This means that you will only continue to be covered if you are unable to work at any job at all. Usually, Sun Life will have begun a rehabilitation program with you so that, either you can return to your job at CLS, or you can work at another job. CLS will work with you and your rehabilitation counsellor to look at various return to work programs that may enable you to come back to work with some accommodation and/or light duties to start.

How much do I get paid while I am off work?

The calculation takes two pages in the benefits booklet to explain! In simple terms you are paid approximately two thirds of your current wages up to a maximum 40 hour week. This is the approximate equivalent of what your net wage would be at 40 hours per week. Your premiums are also calculated on the basis of a 40 hour work week.

Why do the premiums keep going up?

LTD premiums are calculated on the basis of the amount of people making claims in general, the type of work involved, and the current claims of your employer. It is inevitable that these premiums will continue to rise. The other premiums that CLS pays on your behalf also rise each year.

What can we do to keep premiums controlled?

Stay healthy! The fewer claims CLS employees make for LTD the lower our premiums will be. Without doubt, the insurance has been critical to the economic survival of employees who have needed it. When we are faced with premium increases our brokers negotiate assertively to bring the proposed increases down to a manageable level. We also look at the plan design. For example, decreasing the length of the coverage, decreasing the “own occupation” period, reducing the level of benefit, can all reduce the premium. These changes would result in a less valuable benefit to you and, so far, we have chosen not to do this.

If you have any other questions please call me, I am the administrator for our benefits. You can reach me by leaving a message on the Finance Hotline at 604.451.5748 extension 344. You can also call anyone in Employee Services who would be happy to answer your questions.

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Payroll and Benefits Advisor