

Disability Overview

The background features a large, faint watermark of the University of California seal. The seal is circular and contains the text 'THE UNIVERSITY OF CALIFORNIA' around the perimeter. In the center, there is a star above an open book with the letter 'A' on its cover. Below the book is a banner with the motto 'LET THERE BE LIGHT'.

**Department Benefits Representatives Training
University of California San Francisco
Summer 2007**

Agenda

- **Sources of income during disability**
- **Leave policies and procedures**
 - FMLA, CFRA, PDL
- **While on LWP/LWOP**
 - UC Health and Welfare Plans
 - UC Retirement Savings Programs
- **Personal payments during LWOP**
- **COBRA**
- **Case studies**

Sources of Income

- **Liberty Mutual Disability**
 - **Short-Term Disability Plan**
 - Employer-paid
 - **Supplemental Disability Plan**
 - Employee-paid
- **UCRP**
 - Disability Income (DI)
 - Monthly Retirement Income (MRI)
- **Social Security Disability Benefits**
- **Workers Compensation**
 - Temporary disability pay for an on-the-job injury
- **SDI**
 - Non-UC covered wages prior 18-months

Liberty Mutual Short-term/Supplemental Disability Who is eligible?

- Appointment eligible for Full Benefits and membership in a Defined Benefit Retirement Plan to which the University contributes (UCRP/PERS).
- Employee must maintain on-going eligibility
 - average regular paid time equal to 17.5 hours or more per week averaged over a 12-month rolling period.

Short-term Disability Plan

(a.k.a. University-Paid Disability)

- Enrollment is automatic
- UC pays monthly premium
- 7 day waiting period
- Must use all/30 calendar days of sick leave accrual first
- Monthly benefit: 55% up to \$800 monthly maximum
- 26 week disability period
- UC contribution toward medical plan continues
- Subject to taxes
- Does not include long term coverage

Supplemental Disability Plan

(a.k.a. Employee-Paid Disability)

- **Employee-paid premium:**
 - Age, waiting period, FT monthly salary rate
- **Available during PIE. Enroll/increase coverage outside of PIE with SOH application. Not an OE option.**
- **7, 30, 90 or 180 day waiting period**
 - The chosen waiting period will also apply to the *Short-term Disability* plan.
- **Exhaust all/30 calendar days of sick leave**
- **Not subject to taxes**
- **Includes Temporary and Long-term coverage**
 - **Temporary Component**
 - Supplements other income up to 70%/max \$10,000/month
 - **Long-term Component**
 - Maximum benefit lesser of 50% or \$10,000/month
 - If continuously disabled for more than 52 weeks and
 - LTD criteria are met
 - Pre-existing condition exclusion

Supplemental Disability Long Term Component

Maximum Benefit Amount

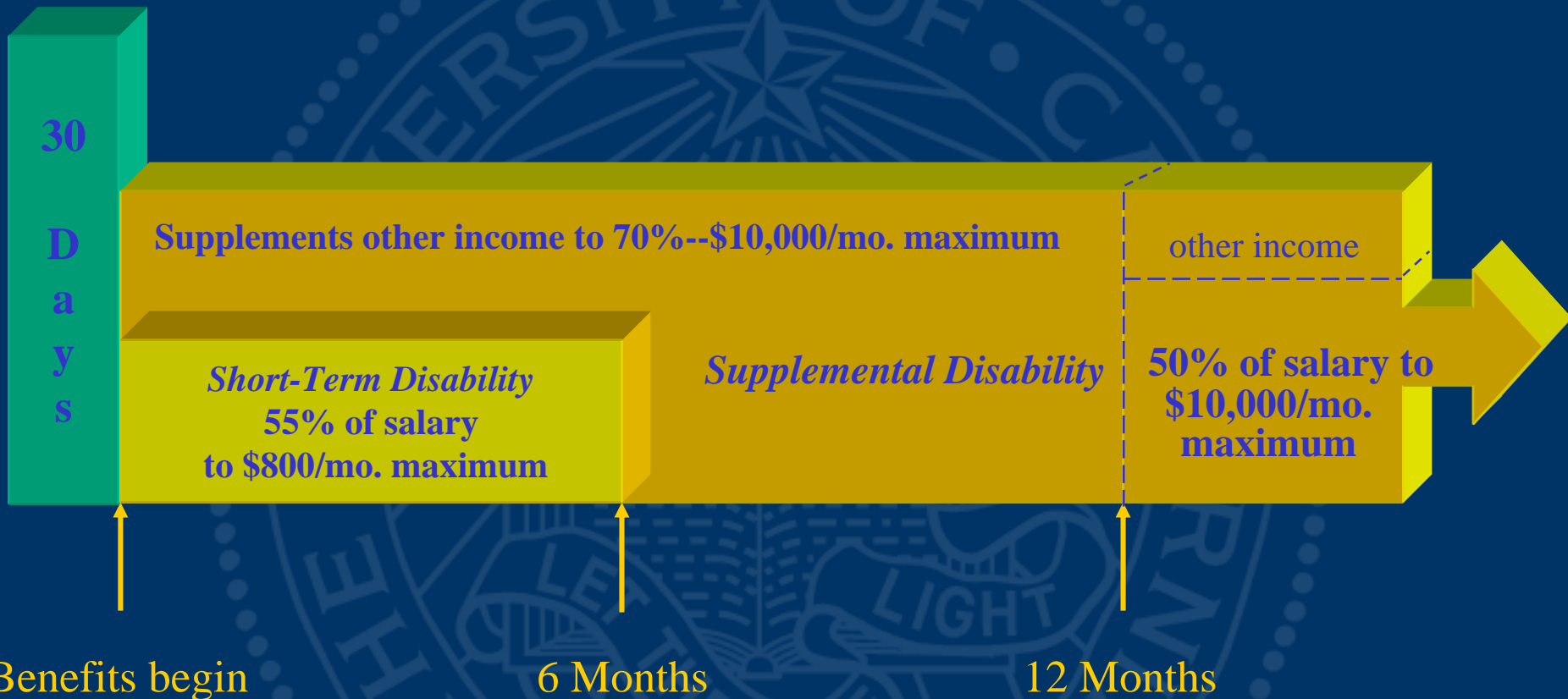
- 50% of your eligible earnings
 - supplements other income; can maintain disability income at 70% of your pre-disability earnings
- Maximum monthly supplemental benefit of \$10,000
- Minimum monthly LTD benefit of \$100 applies if other offsets equal the 70% benefit

Maximum Benefit Period

- *If age when disabled is:*
 - Less than 60:
 - To age 65
 - Age 60-69:
 - The lesser of 5 years or to age 70
 - 70 and over:
 - One year

Supplemental Disability

Short-Term & Long-Term Disability Components



UCRP Disability Income

- Only available to vested UCRP Members who meet UCRP disability criteria:
 - Disability expected to last 12 months or longer
 - Earnings test
- Once approved, medical separation is routine
- Includes continuation of medical, dental and legal coverage to Member and family
- Disabled Member may continue to accrue UCRP service credit while receiving UCRP Disability Income (DI)
- Coordinated with other sources of income, such as Liberty Mutual and Social Security Disability Benefits
- Member may eventually “cross over” and elect (regular) UCRP monthly retirement income (MRI)
 - For some Members MRI may be a viable alternative to DI

Workers Compensation

- **No fault system for injuries & illnesses that arise out of and in the course of employment**
- **All employees are covered**
- **Administered by Sedgwick CMS**
- **Provides temporary & permanent disability benefits, medical care, training vouchers, and death benefits**
- **May provide extended sick leave for certain employees**
- **Coordinates with other disability income sources (Liberty Mutual, Social Security, etc.)**
- **Contact/Resources: UCSF HR/DMS**

FMLA/CFRA

- **Family and Medical Leave Act of 1993**
- **California Family Rights Act of 1991**
- **Intended for**
 - **Care of newborn or adopted child**
 - **Care for spouse/domestic partner, child or parent who has a serious health condition**
 - **For your own serious health condition**
 - **Pregnancy related disability not covered by CFRA**
- **Employee's job is protected for up to 12 weeks per calendar year (Supplemental FMLA may apply for PPSM)**
- **To qualify, employee must have at least 12 months of service and worked at least 1,250 hours during the 12 months prior to the requested leave**
- **UC contributions for health (med/dent/opt) plans continue during 12-week period**
- **Generally, leave is unpaid unless sick leave, vacation or extended sick leave is used**
- **Employer responsibility to designate FMLA**
- **Contact: UCSF HR/Labor & Employer Relations**

Pregnancy Disability Leave

- An employee disabled by pregnancy is entitled to up to four months disability leave.
- Leave can be taken before or after birth during any period of time the woman is physically unable to work because of pregnancy or a pregnancy-related condition.
- Entitled to take pregnancy disability leave in addition to any leave entitlement they might have under CFRA. Runs concurrently with FMLA.
- 30 days' advance notice or as soon as practical.
- Employee is guaranteed a return to the same position

FMLA Procedures

- Department sends the employee the following documents within two days of the initial notice:
 1. Provisional Designation Letter
 2. “Your Rights and Obligations under the Family and Medical Leave Act of 1993”
 3. Leave of absence request form
 4. Family and Medical Leave Certification
 5. Family and Medical Leave Return to Work Certification
 6. Family and Medical Leave Benefits Checklist

See Exchange website for all documents and guidelines

CFRA

- California Family Rights Act of 1991
- Same as FMLA except for pregnancy related medical conditions
- CFRA starts when Pregnancy Disability Leave ends
- Eligibility requirements same as FMLA
- May run concurrent with FMLA

Health and Welfare Plans While on Disability



Medical, Dental, Vision,
Legal, Life, AD&D,
Disability and COBRA

Medical, Dental & Vision

- While receiving **Short-term Disability** income benefits from Liberty Mutual, the UC contribution continues for medical plan (only). Runs concurrently with FMLA continuation of health plans contribution
- If not on pay status, employee may pay premiums directly to the UCSF Payroll Department. Once the employee's **Short-term Disability** benefits and/or FMLA leave ends, UC contributions stop
- For employees who remain on an approved leave, coverage can continue for up to 24 months, but the employee must pay the gross premium (UC contribution PLUS employee net cost)

Life Insurance

- Basic Life: Coverage automatically continues for up to 4 calendar months during any approved leave-of-absence
 - Guaranteed conversion option/Portability
 - Extended Death Benefit
- Supplemental Life: May make personal premium payments to local payroll office for up to 24 months while on approved leave-of-absence.
 - Employee may also qualify for Waiver of Premium
 - If separation occurs, coverage may continue (at normal group rates) for up to 6 months if a Waiver of Premium application has been filed.
 - Guaranteed conversion option/Portability
- Basic or Expanded Dependent Life: May make personal premium payments to local payroll office for up to 24 months while on approved leave-of-absence.

COBRA

- If employee loses UC sponsored medical, dental or vision coverage, he/she may continue benefits under Federal COBRA
 - 18 months for medical, dental & optical;
 - additional 18 months CalCOBRA for medical plan (only)
- Employee must elect COBRA within 60 days of coverage end-date or the date that COBRA notice was received, whichever is later
 - NOTE: COBRA Qualifying Event does not occur until FMLA ends

Miscellaneous Benefits While on Disability

Retirement Plans,
Vacation & Sick Leave,
Legal and Other Insurance



Retirement Plans While on Disability

- *UCRP*
 - Employee does not accrue service credit during a leave without pay.
 - Buyback may be an option upon employee's return to work.
- *UC Retirement Savings*
 - *DC Plans/403(b)/457(b) Plans*
 - Monthly contributions stop with employee's last paycheck. Access to funds may be available based upon disabled status. Refer to UCRS summary plan descriptions.
 - During any leave without pay, if there is an outstanding 403(b) loan balance, repayments must still be made. Arrangements must be made directly with FITSCo. Refer to loan document.

Vacation & Sick Leave

- Employee does not accrue vacation or sick leave during leave without pay
 - If Workers' Compensation, different rules may apply
- If separation occurs, unused vacation leave is paid directly to the employee.
- If applying for UCRP Disability Income—recommend that sick leave be exhausted.
- If applying for UCRP monthly retirement income—sick leave converts to additional UCRP service credit

HCRA/DCRA

- **HCRA/DCRA:** Contributions/participation stops when employee goes off pay status. Employee can only submit claims for reimbursement of expenses that were incurred no later than the last day of the month in which a contribution was made—*unless*—employee is approved under FMLA, in which case, the following applies to HCRA only:
 - Under FMLA, the employee can continue HCRA participation during his/her leave. In order for this to happen, employee must complete the UPAY 919 *before* the actual leave begins. This will allow medical expenses during FMLA leave to be reimbursed up to the HCRA limits
- **HCRA COBRA Option:** If employee wants to continue HCRA through remainder of the year and does not qualify for FMLA, he/she can apply for *after-tax* contributions through COBRA. Employee should contact SHPS for details

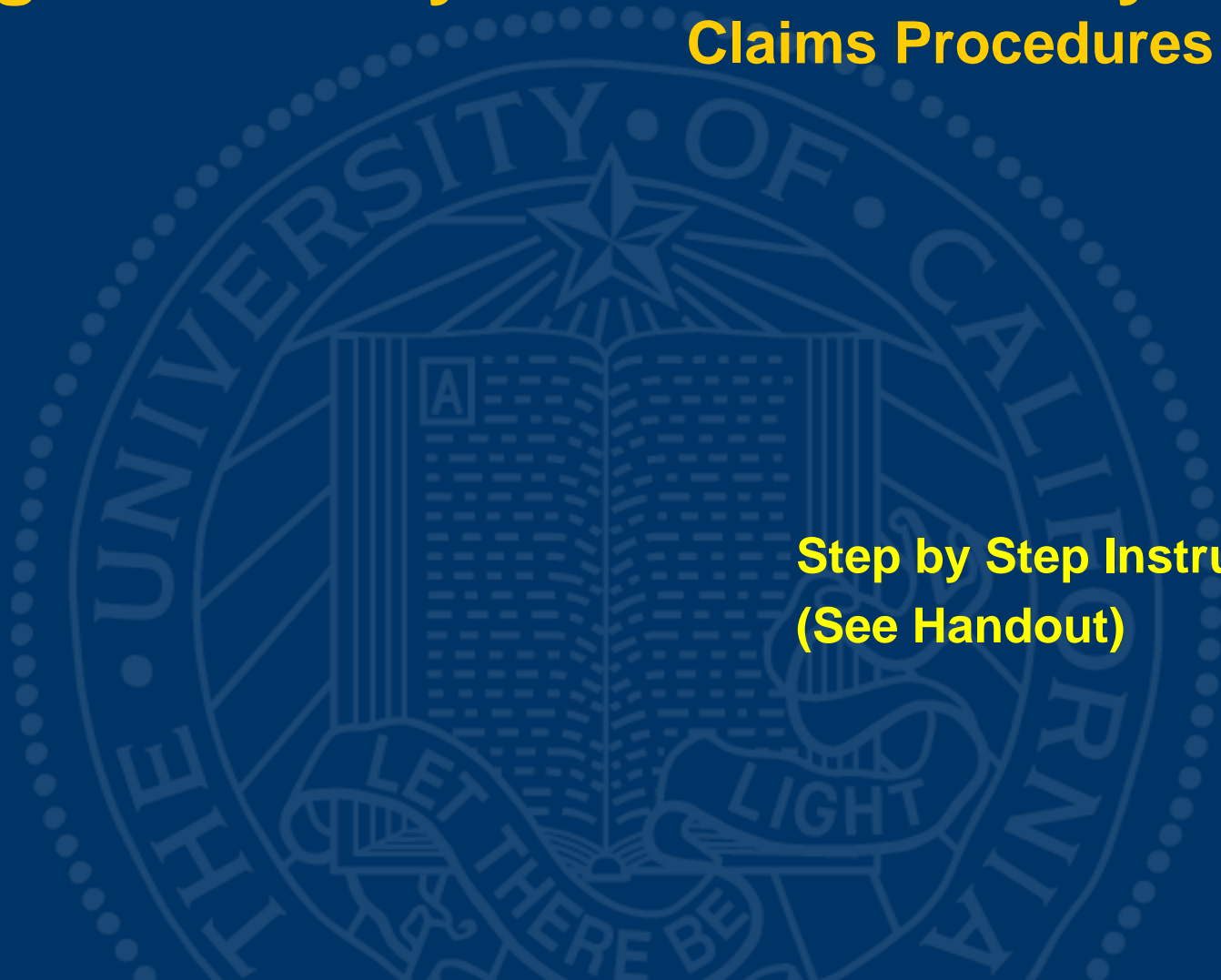
Other Insurance

California Casualty (A+)

- Following separation employee may continue coverage to the end of the contract year by paying premiums directly to the carrier.
 - Automobile,
 - Renters and
 - Homeowners Insurance

Filing a Disability Claim with Liberty Mutual Claims Procedures Outline

**Step by Step Instructions
(See Handout)**



Initial Employee Contact

- **Was this accident work related?**
 - **If so, follow for Workers Compensation claim procedures**
 - **If not, follow non-occupational disability claim procedures**
 - **If employee is unsure, follow both procedures**

Disability Approval or Denial

- **Liberty Mutual is generally able to make a determination on claims within 5 to 10 working days following receipt of a complete claim:**
 - Employee Statement
 - Attending Physician's Statement
 - UC Statement
- **Approval is based upon physician's medical information and Liberty Mutual's plan requirements.**

**This is not a guaranteed benefit. Employee may or may not qualify, based on medical records and/or policy guidelines.*

Disability Approval or Denial

- **What can delay the review process?**
 1. Physician or employee forgets to submit the form
 2. Forms are incomplete or lost
 3. Payroll waiting for UC Statement from department
 4. Liberty Mutual waiting for UC Statement from Payroll
 5. Liberty Mutual requests additional information from the physician

Liberty Mutual Claim Denials

- Before any denial notice goes out, Liberty Mutual contacts the employee by phone.
- Liberty Mutual will notify the employee in writing within 90 days after the claim was filed.
- The denial notice shall include
 1. The specific reason or reasons for denial with reference to any applicable policy provisions
 2. The next steps to be taken if the employee wishes to have the denial reviewed

Appealing a Liberty Mutual Claim Denial

1. Appeal must be within 60 days of denial notice
2. Submit the request in writing
3. Include any issues or comments which are believed to be pertinent to the claim
4. Employee has the right to review any documents Liberty Mutual used in its determination
5. Liberty Mutual will have given a description of any material that was not initially provided but needed to complete the claim
6. Liberty Mutual will respond within 60 days from the date the appeal is received

Occupational Disability Procedures

Workers Compensation



Occupational Disability

Step 1: Immediate actions

- Employee reports injury to supervisor
- Supervisor refers the employee to UCSF's designated medical provider if non-emergency
 - Employee Health Services (415) 885-7580
 - Employee may pre-designate a medical provider
- Complete the Supervisor Report of Employee Injury (SRI) form within 24 hours and fax to DMS (Disability Management Services)
 - Preserve all evidence

Occupational Disability

Step 2: Forms

- Initiate Workers Compensation payroll procedures
- Send FMLA material to employee if he/she meets eligibility criteria
- Provide transitional/modified work if possible

Occupational Disability

Step 3: Explain Leave Types

- Sick Leave/Vacation Leave
 - Makes Election to utilize:
 - A: Sick leave
 - B: Sick leave and vacation leave
 - C: None of accrued leave
- to supplement Workers Compensation (TD benefits) and remain at full/regular pay status
- Extended Sick Leave (ESL)
 - Starts when “A” or “B” election has been exhausted
 - Supplements WCTD benefits to 80% of full/regular pay status
 - May continue for up to 26 weeks
- Supplemental Disability Plan (Liberty Mutual)
 - Will supplement other income up to 70% of pre-disability earnings provided that ESL has been exhausted (the Short-term plan would not apply)

Occupational Disability

Step 4: Supplemental Disability Only

- As an injured worker approaches the end of Extended Sick Leave, it is important that they be referred to UCSF HR/Benefits to speak with a counselor about:
 - Supplemental Disability Claim
 - Other options that they may be eligible for
 - UCRP Disability Income or Retirement Income
 - Social Security Disability Income
 - Continuation/conversion options for health and welfare benefits.
 - UC Retirement Savings/Distribution options

Types of Leave

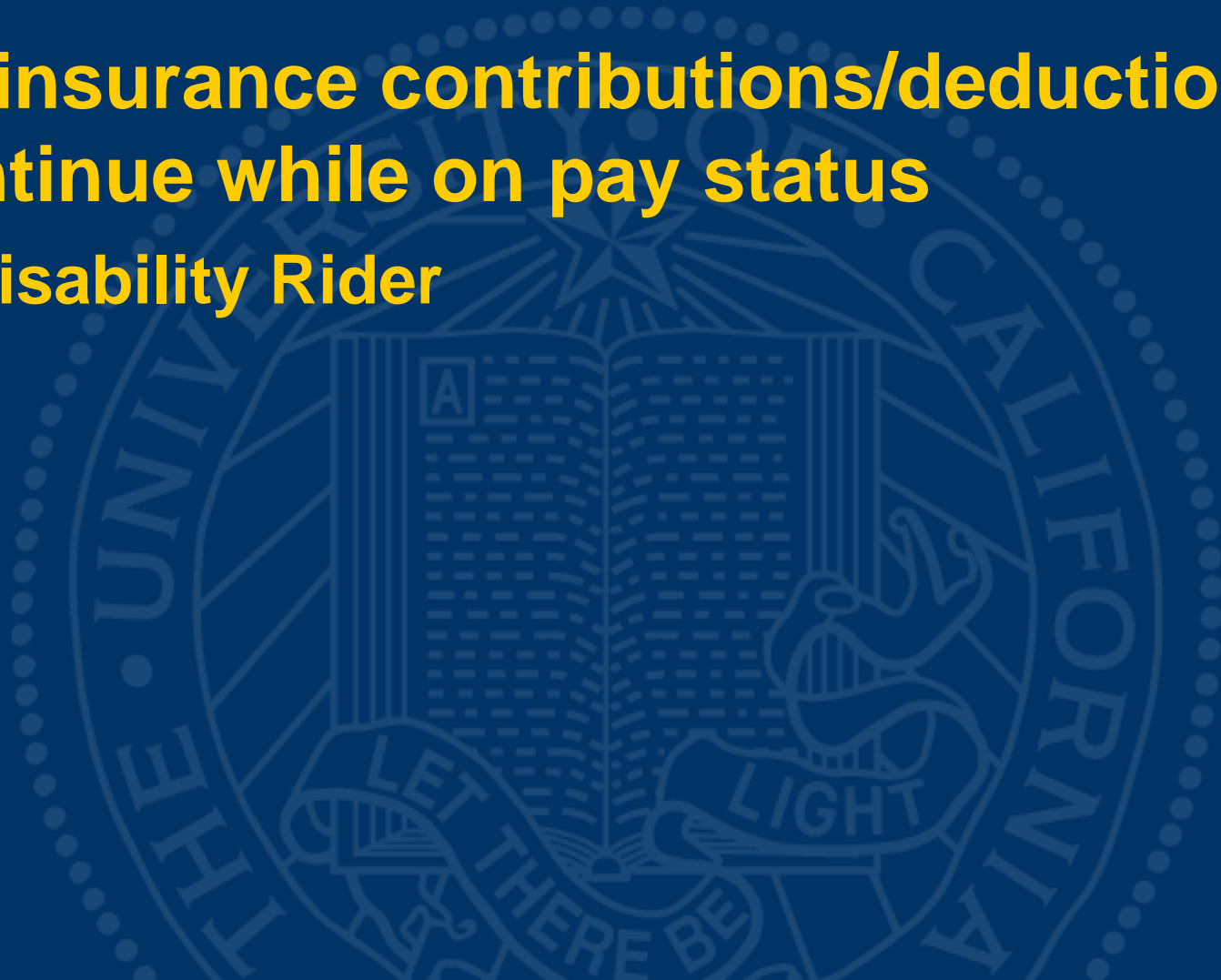
Paid Leave and Leave Without Pay



Insurance Coverage

Approved Paid Leave of Absence

- **All insurance contributions/deductions continue while on pay status**
 - **Disability Rider**



Paid Leave Insurance Coverage (cont.)

- **Short Term and Supplemental Disability**
 - If paid leave is for non-health reasons and paid time is at least 17.5 hours per week, coverage continues
 - If leave is for health reasons, coverage ends on the last day employee is actively at work before leave begins
- **Workers Compensation**
 - Coverage continues for activities arising out of and in the course of UC employment

Paid Leave

UCRS Plans/FICA

- **UCRP:**
 - Service credit accrual continues in proportion to regular paid time.
 - if leave without pay, Buyback may be an option
- **DC Plan:**
 - Required contributions continue at the appropriate percentage of salary while on leave with pay
 - Employee may not withdraw these funds
- **403(b)/457(b) Plans:**
 - Contributions continue unless employee stops or changes them
- **Social Security/Medicare:**
 - Required Payroll taxes continue during leave with pay

Paid Leave Other Benefits

- **Vacation & Sick Leave:**
 - Accruals continue based on employee's paid status
- **HCRA/DCRA:**
 - Contributions continue to the end of the year
 - Eligible expenses reimbursed as usual
- **Auto/Homeowners/Renters Insurance:**
 - Employee may continue coverage for up to two years (A+)
- **403(b) Loan:**
 - Deductions continue

Leave Without Pay Insurance Coverage

- Medical, Dental, Vision and Legal Plans
 - Employee may continue coverage for up to 24 months by arranging to pay the gross premiums directly to payroll.
- Basic Life
 - Coverage automatically continues for up to 4 calendar months at no cost to the employee while on any approved leave-of-absence
 - Conversion Option
- Supplemental Life
 - Employee may continue coverage for up to 24 months by arranging in advance to pay monthly premium
 - Waiver of Premium
 - Conversion Option
- AD&D and Dependent Life Plans
 - Employee may continue coverage for up to 24 months by arranging in advance to pay monthly premium
- Short Term/Supplemental Disability & Workers Compensation:
 - Coverage ends as of the last day actively-at-work

Leave Without Pay Retirement Plans

- **UCRP:**
 - Contributions/Service remain on deposit
 - CAP account may not be withdrawn
 - No service credit is earned, but buyback may be an option upon employee's return
- **UC Retirement Savings**
 - DC, 403(b), 457(b) Plans
 - Contributions stop with employee's last paycheck
- **Social Security/Medicare**
 - Neither employee nor UC contributes while on LWOP

Leave Without Pay

Other Benefits

- **Vacation/Sick Leave:**
 - None is accrued during LWOP (except WCTD)
- **DCRA**
 - Contributions stop with last paycheck
 - Only eligible to claim expenses up to end of month in which last contribution was made
- **HCRA**
 - Contributions stop with last paycheck
 - May continue under COBRA with after tax money
- **Automobile and Homeowners/Renters**
 - Employee may only continue coverage through the end of the contract year

Personal Premium Payments During Leave Without Pay

Payroll Insurance Desk



Initial Letter

- Issued (once only) to employee when off of pay status for longer than 1 month—no monthly billing
- Clearly outlines employee responsibility of premium payments
 - Med/dent/opt--employee pays net cost (if any) while on FMLA
 - Medical—employee pays net cost if receiving **Short-term Disability** Income from Liberty Mutual.
 - Runs concurrently with FMLA
 - Otherwise, employee pays gross premiums
- Employee must check boxes for coverage he/she wants to continue
- Includes UPAY 850 for enrollment of newborn and/or re-enrollment upon return from leave
- Mailing address and payment instructions included

Personal Payments

Ongoing

- Employee is responsible for making sure all payments are kept current
- UC medical plan contribution continues provided that the:
 - The claim remains open with Liberty Mutual
 - *Short-term Disability* benefits continue to be paid (6-months max)
 - Employee net costs have been kept current
- If LWOP continues and the Short-term Disability income has ended, the gross premiums become the employee's responsibility.

Case Studies

Easy and not so easy!



Case Study 1

- On a bright Saturday afternoon, Mike was accidentally run over by an out of control tandem bike while walking through Golden Gate park. Luckily, he only broke both arms and suffered a minor concussion. He calls his boss on Monday morning to report what happened. He doubts he can work for at least a few months.

What should his supervisor do?

Case Study 1 (Cont.)

What should Mike's supervisor do?

- Discuss Mike's Disability coverage, benefits and leave status
 - Waiting period/sick leave
 - Application process
 - Personal payments for medical insurance
- Issue FMLA packet/materials
- Refer Mike to UCSF HR/Benefits for Liberty Mutual claim materials/packet
- Enter/Update OLPPS leave coding

Case Study 1 (Cont'd)

Mike's Questions

- “I have supplemental disability with a 7 day waiting period. When does the waiting period start?”
- “How long can I remain on disability?” (he has 3 years of service credit)
- “Does the University still pay for my health insurance?”
- “How much income will I receive?”
- What about service credit while I'm on leave?

Case Study 1 (Cont'd)

Injury relapse

- Mike comes back at 100% after 3 months of disability leave. Two days after his return, severe pain sets in and he realizes that he returned to work too soon. He asks to go out on leave again. Can he?
- What happens to his waiting period?
- Is he entitled to another 6 months of Short-term disability benefits?

Case Study 1 (Cont'd)

Supervisor's concerns

- With Mike out on another leave and work starting to pile up, his supervisor is becoming frustrated. Can he Medically separate Mike?
- Can he post for his job?
- What recourse does Mike have in preserving his job?

Case Study 2

Carol has just come into your office complaining of extremely sore wrists and cramping in her hands. Prior to today, she occasionally complained of similar pain, but not to this extent. She also mentions that over the past weekend she took a bad fall and used both hands to absorb the shock.

How would you proceed?

Case Study 3

Jerry is quite unhappy with the way his department is being run. He believes stress from work is causing him to have migraine headaches, ulcers, and insomnia. Before his health deteriorates any further, he wants to apply for disability benefits. He believes he is owed this benefit for putting up with such difficult working conditions the past few years.

Case Study 3 (Cont'd)

Questions

- Can Jerry prove his current health problems are work related?
- How would this disability claim be handled differently than the previous 2 cases?
- What if his claim is denied?
- Is there anyone else he can go to for assistance?

Questions/Comments?



**Thank You for Your
Participation!!!!**

**Please complete an
evaluation form!**