



KNOW YOUR CA

Understanding Your Long-Term Disability Plan

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Since the 2008-2011 Collective Agreement (CA), faculty participation in the Long-Term Disability (LTD) Plan has

been mandatory for new full-time and part-time continuing appointees who meet the eligibility criteria, as well as for faculty who are currently enrolled (one cannot cancel LTD coverage). QUFA bargained for mandatory enrolment because some Members have considered LTD unnecessary and have opted not to enrol.

However, every year, a few Members will need to stop working because of a disability, a long-term illness, or recovery from an injury, and Members cannot enrol in the LTD plan once they have become disabled. QUFA Members who must be off work for longer than the six-month Queen's sick leave period and who are *not* covered by LTD must negotiate further leave without pay.

The premium for LTD is 1.26% of annual salary. Your non-taxable monthly benefit will be calculated as follows: 68% of the first \$12,000, 60% of the next \$10,000, and 50% of the balance of normal basic earnings (stipends and overload are not included). There is a cap

on benefits of \$5,000 per month and, using the calculation above, annual salary over \$113,679.96 surpasses the benefit cap and is not subject to LTD premium payments. For general staff employees in the same LTD plan, the maximum monthly benefit is \$8,500.

QUFA is exploring increasing the monthly maximum benefit for our Members. Our benefits consultants from Eckler Consultants and Actuaries have suggested a maximum monthly benefit of \$10,000 or the replacement of 85% of normal basic earnings are appropriate targets for a higher-earning group such as faculty.

While QUFA has bargained for the employer to pay for other insured benefits, we have chosen to have Members pay for LTD. Increasing the maximum benefit may, therefore, cost our Members more in premiums. In the case of LTD benefit payments, they are taxable income if the premiums were paid by the employer and are non-taxable income if the premiums were paid by the employee. QUFA has chosen the option that would give a Member on LTD a tax-free source of income.

If you become ill or are injured, you have a six-month sick leave that is also the "waiting period" for LTD eligibility. During this time, your disability must be continuous or, if it is not, the days will continue to be accumulated as long as there is no interruption of longer than 30 days and you cannot work because of the same illness or injury.

After the six months has ended, Queen's will stop paying your salary, and you will be paid a monthly benefit by Great West Life for a 36-month initial assessment period. You will qualify for benefits "if, because of disease or injury, there is no combination of duties [you] can perform that regularly took at least 60% of [your] time at work to complete." This first period of LTD is an "own occupation" type of coverage. After the initial assessment period, the criterion for continuing LTD changes, and your disease or injury must prevent you from being gainfully employed in order to draw benefits. Gainful employment means work you are medically able to perform, for which you have at least the

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minimum qualifications, that provides at least 60% of your monthly earnings, and that exists where you worked when you became disabled or where you currently reside. QUFA's benefits advisors tell us that this is an acceptable balance of "own occupation" and "any occupation" coverage.

Once you start receiving LTD benefits, they are indexed by the Consumer Price Index up to a maximum of 5% per year. Payments will continue until the end of the academic year coinciding with or

next following your 65th birthday.

While the Queen's LTD plan has a number of good provisions, the premiums faculty pay for the level of replacement salary and actual claims experience over the long term are quite high. At the bargaining table, we asked the University to search for a better deal and ended up with a Joint Committee to continue the discussion between the Parties. QUFA is also exploring OCUFA's proposed LTD program for Ontario universities.

Members pay for their LTD coverage, and QUFA wants to make sure we get good coverage at a fair price.

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Know Your CA is archived on the QUFA Web site, at www.qufa.ca. Know Your CA is edited by Robert G. May.