



New York Medical College Policy and Procedure Manual

Section: HUMAN RESOURCES	No.: HR.328
	Date: Oct. 4, 2001
Subject: LONG TERM DISABILITY	Page 1 of 7
	Supersedes :Oct. 4, 1993

I. Purpose

To establish guidelines for Long Term Disability benefits.

II. Scope

This policy applies to all College regular full-time faculty and staff employees.

Local 1199 employees are not covered by this policy.

The College reserves the right to amend or suspend this benefit at any time without prior notice.

III. Definition

A. Long Term Disability - an approved absence from work due to sickness or accident that has progressed beyond the six (6) month qualifying period.

B. Disability for members of the faculty, officers or exempt-1 employees is either:

1. Being completely unable due to sickness, bodily injury or pregnancy to perform normal occupational or not performing any other occupation; or
2. Working, but unable, due to sickness, bodily injury or pregnancy to earn more than 80% of the normal monthly salary. The disabled employee must be under the care of a physician, other than him/herself.

C. Disability for all other eligible employees is either:

Issued By:	Approved By:
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1. For the first sixty-six (66) months of disability, being completely unable due to sickness, bodily injury or pregnancy to perform normal occupation and not performing any other occupation; or
2. After the first sixty-six (66) months, being unable due to sickness, bodily injury or pregnancy to perform any occupation for which the employee is reasonably suited by education, training or experience; or
3. After six (6) or more months of continuous disability working, but being unable due to sickness, bodily injury or pregnancy to earn more than 80% of normal salary. The disabled employee must be under the care of a physician, other than him/herself.

IV. Policy

It is the policy of New York Medical College to provide partial salary continuance and to continue certain benefits when an employee is unable to work because of disability due to sickness or accident.

V. Procedure

A. Monthly Income Benefit

1. Disability coverage is divided into the Basic and Optional Contributory Schedule:
 - a. Basic Schedule
 - 1). This schedule requires no medical examination to enroll and is non-contributory. The monthly income benefit is equal to 60% of the first \$3,333 of the monthly wage, not to exceed \$2,000.
 - b. Optional Contributory Schedule
 - 1). This schedule requires no medical examination to enroll, provided the employee does so within thirty-one (31) days of becoming eligible.

- 2). Any eligible employee who does not elect to participate within this time will be required to furnish satisfactory proof of good health before the insurance becomes effective.
- 3). The monthly income benefit is equal to 60% of the monthly salary over \$3,333, not to exceed \$8,000.

2. In no event will the combined Basic and Optional Schedule exceed \$10,000 per month, less any benefit payable from Social Security (including dependents' benefit), workers' compensation.

B. New Hires

1. As of the date of hire, all eligible employees are entitled to the Basic Schedule (see section V.A.1.a.).
2. At the time of the Benefits Orientation, each eligible employee may elect the contributory coverage (see section V.A.1.b.).

C. Current Employees

1. Any change (increase or decrease) in the Optional Contributory Schedule may be initiated at any time.
2. An Employee Statement of Health is required to increase coverage.

D. Monthly Annuity Premium Benefit

1. During Long Term Disability, the College will continue institutional contributions to the Tax Deferred Annuity based on the following:

For employees under age 40 or with less than five years of service, the College contributes:

- 6.3% up to the Social Security Wage Base
- 12.0% over the Social Security wage base*

For employees over age 40 and with five+ years of service, the College contributes:

- 6.5% up to the Social Security Wage Base
- 12.2% over the Social Security wage base*

For employees over age 55 and with 15+ years of service, the College contributes:

- 10.0% up to the Social Security Wage Base
- 15.0% over the Social Security wage base*

- a. If a disabled employee is earning more than 20% of the normal monthly salary, a percentage of the Monthly Annuity Premium Benefit may be payable, subject to the provisions of the Group Disability Policy.

E. Annual Benefit Increase

- 1. While an employee is disabled, the Monthly Income Benefit and the Monthly Annuity Premium Benefit will be increased each year by 3%, compounded annually, as long as each benefit continues to be payable.

F. Duration of Benefits

- 1. Benefits continue during a term of continuous disability as follows:

<u>Age at Disability</u>	<u>Maximum Benefit Period</u>
Less than age 60	Greater of SSNRA* or to age 65 (but not less than 5 years)
60	60 months
61	48 months
62	42 months
63	36 months

64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

* SSNRA means the Social Security Normal Retirement Age as figured by the 1983 amendment to the Social Security Act.

2. When the benefit maximums have been reached, the employee is transferred to retiree status unless he/she is able to return to work. If employee is not eligible for retiree benefits, they are offered COBRA benefits at the COBRA cost.

G. Conditions for Payment of Benefits

1. Benefits are payable to an eligible employee as of the first day of the month after six (6) months of continuous disability in accordance with the Group Total Disability Policy.
2. The absence must meet the same approval guidelines as outlined in **Policy HR.307 - Short Term Disability.**
3. Notice and proof of disability must be filed with the carrier in the format prescribed by the carrier.

H. Coordination of Long Term Disability with Social Security Disability and Workers' Compensation or Similar Benefits.

1. The monthly income benefit will be directly offset by any benefit amounts that are payable for disability or retirement based on the employee's wage record under the Social Security Act of the United States or any similar Foreign Government Program.
 - a. Included in these amounts are benefits that are payable to employee and to employee's dependents.

- b. These amounts will be directly offset unless the required application for benefits and proofs of loss have been filed with and declined by the government program.
 - c. The monthly income benefit will continue to be offset if these benefits decrease or stop because the employee refuses to accept rehabilitation under the act or program.
- 2. The monthly income benefit will be directly offset by any benefits paid under the Workers' Compensation Law, including one-sum amounts.

I. Fringe Benefits During Long Term Disability

- 1. All unused vacation time will be paid out prior to placing an employee on Long Term Disability.
- 2. Existing health and life insurance benefits will continue while the employee is on Long Term Disability. Employees are not required to contribute toward the cost of continuation of health benefits, life insurance or long-term disability premiums.

VI. Responsibility

A. Employee:

- 1. Request an application for Long Term Disability benefits from the Human Resources Department when the employee has been disabled for two (2) months and anticipates that the disability will extend beyond six (6) months.
- 2. Apply for Social Security disability benefits at the time of application to the College's Long Term Disability plan.

B. Department Supervisor/ Administrator and/or Affiliation Administration:

- 1. Place the employee on medical leave using the **Central Records (HR-31)** form.

2. Notify the Human Resources Department when an employee has been continuously disabled for two (2) or more months.

C. Human Resources Department:

1. Properly code the **Master Enrollment (HR-1)** form noting the elected employee coverage and the corresponding payroll deduction code for contributory coverages.
2. Input appropriate salary reduction codes into the Payroll System.
3. Complete and file with the carrier the Employer's Statement section of the application for Long Term Disability.
4. Prepare a **Central Records (HR-31)** form to transfer disabled employee from department accounts to the disability account, when application for benefits has been approved.
5. Update life insurance, disability and annuity files to guard against overpayment of premiums.

D. Human Resources Department/Affiliation Office

1. Provide advice and guidance with respect to the interpretation and administration of this policy.