LONG-TERM DISABILITY INSURANCE CLAIM PROCEDURES FOR DEPARTMENTS

Long-term disability (LTD) insurance provides income during periods of medical disability. To qualify for any of the benefits described in this handout, employees must be covered under the LTD insurance plan. You may find it helpful to review the Benefits and You handout entitled Long-Term Disability Claim Procedures for Employees before proceeding.

OVERVIEW OF CLAIM PROCESS

Below is a quick overview of the claims process. Each step is explained in more detail in the subsequent paragraphs.

- Department notifies the Absence Management Specialist of the employee who needs to file for LTD.
- Department routes copy of position questionnaire, and notification of date the employee’s leave will exhaust to the Absence Management Specialist, 106 Whitehurst.
- Employee should meet with Absence Management Specialist to address the claim process and procedures entailed with filing LTD.
- Upon claim being filed, the Absence Management Specialist notifies department to place the employee on LTD leave of absence, by creating an Electronic Personnel Action Form (EPAF), for six months following last day of work which must end the assignment at the end of the six months.
- Department ensures that appropriate pay occurs during the six month LTD leave of absence period.
- At the end of the six month leave, the Absence Management Specialist completes the EPAF based upon the status of the employee and notifies the department.
- When OSU disability benefits end, the Absence Management Specialist completes the EPAF to separate or retire.

CLAIMS DETAIL PROCESS

Employee Initiates the Claim: The Absence Management Specialist will provide the employee with an LTD packet and instructions on completing their claim.

Complete EPAF: The Absence Management Specialist will notify the department to complete an EPAF placing the employee on LTD leave of absence for six months following the last day worked, upon receipt and qualifying review of the claim form from the employee. If the last day worked was January 5, the leave would run from January 6 through July 5. An end date must be entered on the EPAF for the LTD leave of absence assignment to avoid overpayment. The LTD leave of absence will cover the six months required by the insurance as the elimination period before LTD insurance benefits begin. Departments must monitor and maintain leave balances within Banner. When completing the EPAF, please note the reason for leave is long-term disability elimination period.

If you have not yet determined if the employee is eligible for the Family Medical Leave Act (FMLA), you will need to do so and work with your HR partner to notify the employee accordingly. If you fail to notify the employee that he/she is on FMLA leave, you may have to offer it at a later date and extend benefits and time off.

Pay During the Six-Month LTD Leave of Absence: The employee may receive LTD elimination pay at the same rate as their 60% LTD, after all sick leave, compensatory time, and annual leave have been exhausted.

During this six-month leave, you will continue to input the appropriate leave to ensure pay for the employee. Enter hours of the appropriate leave (sick, compensatory, then annual including holiday hours when applicable) until all accrued leave is exhausted. When all leave is exhausted and if the employee is still within the 6 month elimination period from the date they last worked, then the department will need to submit an EPAF to place the employee on “Leave with Partial Pay with Benefits” (LPP). This EPAF will set the (monthly-paid) employee up to be paid at 60% of pay for the remainder of their elimination period without manual entry by the department or payroll. Departments will need to submit admin leave each pay period for biweekly employees to be paid, i.e., 48 hours admin leave for employees that are 1.0 and work 80 hours each biweekly pay period.
Failure to enter the appropriate leave and then submission of the LPP EPAF will result in overpayment—it is very important for departments to monitor the pay during this six-month period. Overpayments are the responsibility of the department and the department must contact and secure collection from the employee. You will need to monitor leave balances so the employee does not default into non-pay status as accrued leave is used. The exact date on which this will occur will differ in accordance with the leave accrual schedule for the classification and length of service of the employee. Leave ceases to accrue once paid leave is exhausted.

**End of Six-Month Leave:** If the claim is approved, the Absence Management Specialist will prepare the EPAF to place the employee on LTD. The department will be notified when this form is complete. If an employee had more accrued leave than needed during the six months, any compensatory time or annual leave remaining would be paid according to Policy 3-0713. If the employee received disability supplement pay during the six month leave, there should be no remaining leave at the end of the six months.

If the claim is denied, the employee must return to work with medical release or request a personal leave without pay not to exceed six months. If the claim has not been approved or denied by the end of the six month leave period, the employee must request a personal leave without pay while claim consideration continues. A new EPAF should be created to confirm the leave with/without pay. If it is leave without pay, benefits will bill at the full premium to the OSU Bursar.

**Termination of Long-Term Disability Benefits:** If the employee is able to return to work, the employee may return to work within the first six months of absence in the same or comparable position. A physician’s release is required before allowing the employee to return. If the employee is able to return to work after six months, he/she would apply for employment on the same basis as any other applicant.

Liberty Mutual will require medical documentation from time-to-time to ensure the employee continues to be disabled. Disability benefits will eventually end, and in most cases, this occurs at age 65. The Absence Management Specialist will complete an EPAF to retire or separate the employee when their disability benefits end, or after 2 years of LTD benefits from Liberty Mutual, whichever comes first.

**Return to Work:** Subject to the availability of funds, the employee’s position will be held for six months from the last day of work. If an employee is able to return to work, a physician’s release is required.

**COORDINATION OF OTHER BENEFITS**

**Health, Dental, Vision Insurance:** Employees may be eligible to continue health, dental, and vision insurance. OSU continues to pay a portion of the health insurance premium on the employee up to the amount paid for active employees (employee only coverage) for the first two years an employee is receiving LTD benefits. The employee will be billed through the Bursar’s office for any voluntary or dependent premiums that he/she must pay. If payments are not made for all premiums for which the employee is responsible, coverage will be canceled, including OSU-paid employee benefits. If the employee wishes to cancel coverage, it must be done within 30 days of a qualifying event, such as the qualification for disability benefits. Benefits will end at the end of the two year LTD benefit period, unless the employee is eligible for retiree benefits.

**Life Insurance:** Life premiums for the employee for both Basic and Voluntary Supplemental coverage are waived if the employee is under 60 years of age and the claim is approved by Liberty Mutual. If the employee is carrying Voluntary Supplemental Life on spouse or children, the employee will need to explore possibilities for continuation of the coverage with Liberty Mutual.

**Assistance:** Call the Absence Management Specialist, (405) 744-5449, for more information about LTD benefits.

This information was developed by OSU Human Resources for the convenience of OSU departments. It is a brief interpretation of more detailed and complex materials. If further clarification is needed, the actual law, policy and contracts should be consulted as the authoritative source.