



INFOSHEET

Programs and Services



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Sick and Can't Work – What Then?

Introduction

The Programs and Services staff are frequently asked what benefits are available if a teacher is sick for an extended period of time and unable to continue teaching. The purpose of this Infosheet is to outline to teachers the benefits which may be available if they are unable to work because of an illness or disability, or an injury incurred off the job.

Since it is impossible to explain fully the details of each individual case in this format, it is recommended that teachers contact the Programs and Services Department for individual consultation.

Members who have limited sick leave remaining are encouraged to contact an Administrative Officer in Programs and Services at the NLTA.

Sick Leave

The formula for determining the amount of paid sick leave available to a teacher who is unable to perform duties because of illness, injury or disability is outlined in the Collective Agreement. Teachers who become ill or disabled are eligible for paid sick leave, according to their years of service based on the schedule outlined in Article 15 (Sick Leave) of the Collective Agreement. **If a teacher qualifies for the Canada Pension Plan Disability Benefit (see reverse), payments under CPP may be received at the same time as paid sick leave.**

A teacher whose entitlement to paid leave has been exhausted, and whose illness requires further absence from work, may borrow up to 15 days of paid sick leave from the following year. Otherwise, the teacher is placed on sick leave without pay. Unpaid sick leave is available concurrent with two other options as follows. While the option of borrowing sick leave is available, it may be advisable to utilize all other available benefits (see below) and borrow as a last resort. Teachers are encouraged to contact the NLTA if considering a borrowing option.

Employment Insurance

After a teacher's paid sick leave runs out, the teacher is eligible for Employment Insurance sickness benefits if the required worked hours have been accumulated. **The illness**

benefit is payable for a maximum of 15 weeks while school is in session. A Record of Employment (ROE) and a doctor's note to verify inability to teach are required.

(**Note:** A teacher, who qualifies to receive EI sick benefits and LTD benefits, is entitled to receive the full value of both at the same time.)

Long Term Disability Insurance [LTD] - Option C (non-taxable)

Long Term Disability Insurance (LTD), formerly known to teachers as Salary Continuance Insurance, is coverage to protect one's income in the event that a medical disability prevents you from performing your duties as a teacher after your paid sick leave benefits and other sources of income have been exhausted. It is important to note that LTD does not automatically begin when a teacher's sick leave is exhausted. To avail of the LTD benefit, a teacher must be totally disabled from teaching and must have medical documentation to confirm a continual disability from the onset of sick leave. An application must be completed and submitted and detailed medical documentation provided. Teachers under age 60 are automatically enrolled in the LTD option when they begin teaching. If a teacher "opts out" or was not automatically enrolled, then an application for coverage is necessary with proof of good health. Members are advised to review their insurance statements or check online to verify LTD coverage and their other policies. To receive LTD benefits, a teacher must be deemed totally disabled (medically) by the insurance company from performing the duties of their occupation. Benefits are payable for up to 24 months when totally disabled from teaching. To continue claim after 24 months, a teacher must be deemed totally disabled from any occupation for which they are reasonably fitted by training, education and experience. Such illness or disability must be medically verifiable to the satisfaction of the insurance company. Detailed medical documentation will be required.

The waiting period for benefits under LTD will be the greater of (a) 30 calendar days, or (b) the total number of accumulated paid sick leave days to which the member is entitled. **Consequently, a prospective claimant should**

make application for benefits at least 90 days prior to the expiration of paid sick leave, if possible. LTD provides for payment of a tax-free monthly benefit equal to 66% of gross salary or 85% of net salary the teacher was receiving and paying premiums on when sick leave expired, whichever is lesser.

The Long Term Disability Insurance Plan is not designed as a “Stand Alone Plan”. Its premium structure is based on the premise that a teacher will access other possible sources of income, such as disability pensions, including Disability TPP or CPP. The amount paid from LTD will be reduced by the amount received from these other income sources. This combining of benefits is known as integration.

Integration of LTD with Other Benefits

The Disability Benefit is integrated with other sources of income, such as the Teachers’ Disability Pension and the Canada Disability Pension (see details below), both of which are taxable. If integration occurs, then the all source maximum benefit is 85% of net salary. If a teacher originally applies for and is approved under LTD, and subsequently receives TPP or CPP Disability Benefits or other sources of income, the overpayment must be reimbursed to the insurance company since the LTD’s plan design and premium rate are based on an “integration” of other income, such as TPP and CPP.

Important: The reimbursement is based on gross salary. However, both CPP and TPP are taxable. This means that the net amount owing the insurance plan upon receipt of TPP and/or CPP can be more than the actual amount received from TPP and CPP benefits. Teachers in receipt of LTD prior to receipt of TPP and/or CPP should plan their finances accordingly. **Note:** EI benefits are not integrated with LTD.

Teachers’ Disability Pension (Taxable)

Teachers are not eligible for this benefit unless they have at least five years of pensionable service. To avail of a Disability Pension under the Teachers’ Pension Plan, a teacher must be deemed unable to perform their duties efficiently and that inability is, to the satisfaction of the Minister, shown likely to be permanent. The amount of benefit under the Teachers’ Disability Pension is calculated according to the number of years of service accrued. Teachers with few years of service accrued are especially at risk if they are not covered by Long Term Disability Insurance. For further details on pension calculation, see the booklet “The Teachers’ Pension Plan” available from the NLTA office or on the NLTA website at www.nlta.nl.ca. **Note:** If approved for TPP Disability Pension, a teacher must resign their position, but only after approval, in writing, has been obtained from the Minister.

Canada Pension Plan Disability Benefit (Taxable)

Another possible source of income for the teacher who is sick and/or disabled and unable to continue professional duties is the Canada Pension Plan Disability Benefit. Eligibility for this benefit is based on age and years of contribution. However, the contributor must be disabled, i.e. suffering from a mental or physical disability which is both

(a) severe (incapable regularly of pursuing any substantial gainful occupation), and (b) prolonged (likely to be long, continued and of indefinite duration or terminal).

Note that under the CPP Disability Benefit, emphasis is on a “severe and prolonged disability”, as opposed to the definition under the Teachers’ Disability Pension which quotes “permanent”, and different again from the Long Term Disability definition which states “the inability of the insured member to engage in any and all gainful occupation for which he/she is reasonably fitted by training, education and experience.”

Reminder

Teachers returning to work from a period of unpaid sick leave should contact the Teachers’ Pension Plan Corporation (TPPC) immediately upon returning to work to arrange a contract to purchase unpaid sick leave for pension purposes. The procedure is to email the TPPC at memberservices@tppcnl.ca provide SIN and mailing address and request a contract to purchase unpaid sick leave.

Application for LTD Insurance

Applications for coverage can be obtained by contacting Johnson Inc., 10 Factory Lane, St. John’s, NL A1C 6H5 Tel: 709-737-1528 or 1-800-563-1528 Fax: 709-737-1021; www.johnson.ca/nlta.

Conclusion

Teachers may well ask: What does all this mean? In short, it means that a teacher who is deemed unable to continue his/her duties because of illness or disability may be eligible for a number of benefits. Each case is assessed individually and a ruling made based on the medical evidence presented. The onus of responsibility to provide thorough and complete medical evidence rests with the member and his/her physician(s). Disability Insurance has proven to be the most essential benefit protection. None of us knows when illness will strike or when we may become disabled by an accident. Remember, this protection is based on salary earned, not on years worked, as is the case with pension benefits. For some members, it has meant the difference between maintaining a decent standard of living or bankruptcy.

Note: In the event of a discrepancy between this Infosheet and the Group Master Policy, the terms of the Group Master Policy will apply.