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Canada

Disability Insurance Plan – Member booklet

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Disability Insurance Plan – Member booklet

From: Treasury Board of Canada Secretariat

On this page

Introduction

What is the Disability Insurance (DI) Plan?

The Disability Insurance (DI) Plan provides a monthly income benefit for employees who are unable to work for a lengthy period of time due to a totally disabling illness or injury which is non-work related. Benefits are paid subject to a 13 week elimination period or the exhaustion of sick leave, whichever is later.

The DI Plan is administered by Sun Life, hereafter referred to as the insurer.

A Board of Management for the DI Plan has been established under the National Joint Council (NJC). The Board membership includes a chairperson appointed by the NJC, four employer side, and four bargaining agent side representatives.

The Board is responsible for considering and making recommendations to the NJC on appeals or disputed claims and membership issues; matters related to the financial integrity of the DI Plan; eligibility rules; Plan design and premium rates.

The complete terms and conditions of the DI Plan are set out in a contract of insurance between the Treasury Board, represented by the President of the Treasury Board, and the insurer. **In situations where there is conflict between this booklet and the insurance contract, the terms of the contract shall prevail.**

Membership

▶ In this section

Who is covered by the DI Plan?

The DI Plan covers persons for whom Treasury Board is the Employer, and who are represented in the collective bargaining process. Represented employees of a number of designated agencies and corporations also participate in the DI Plan.

In general, new employees hired on a full-time or part-time basis are covered automatically under the DI Plan. A full-time employee is a person whose assigned work hours equal the regular scheduled hours of work for a full-time employee, employed in the same occupational group and level. A part-time employee is a person who is assigned to work more than one third of the regular scheduled full-time hours for his or her occupational group and level.

Membership is mandatory if you are employed as described below:

- for an indeterminate period, membership is mandatory from the date of appointment
- for a term of more than six months, membership is mandatory from the date of appointment
- for a term of six months or less, membership is mandatory from the date you have been continuously employed in the public service for a period of at least six months
- as a seasonal employee, membership is mandatory once you have completed six months of continuous active service in any one season. If you continue to be employed on a seasonal basis, coverage continues during subsequent seasons, but is not in force during off-seasons unless you are engaged in some other eligible employment in the public service

Note: If you are absent due to illness on the day your insurance would otherwise become effective, your insurance coverage will be postponed until you return to regular active duty.

Who is not covered by the DI Plan?

You are not eligible to participate in the DI Plan if you are:

- an employee locally-engaged outside Canada
- employed in a managerial or confidential position excluded from collective bargaining
- a part-time employee whose assigned hours are one third or less of the normally scheduled full-time hours of work for your occupational group
- an employee who has attained 64 years and 9 months of age

Eligibility

▶ In this section

Who is eligible to receive benefits?

You are eligible to receive benefits for up to 24 months if you become totally disabled (i.e. you are in a continuous state of incapacity due to illness or injury and are prevented from performing the duties of your regular occupation). If, at the end of this 24-month period, you are unable to perform any commensurate occupation for which you are reasonably qualified by training or experience, your benefits would be continued. For the purposes of the DI Plan, commensurate occupation means one for which the rate of pay is at least 66 2/3% of the current rate for your regular position. If your disability prevents you from doing your job, and later a commensurate one, the benefits continue for as long as you remain disabled, but not beyond your 65th birthday.

You are not eligible for benefits if your disability:

- is related to a condition that existed when you became insured. You may contact your departmental compensation services unit or the Public Service Pay Centre for information concerning the waiving of this restriction
- arises from commission of a felony
- is the result of injury or disease sustained on active duty with any armed force, or from active participation in a riot, rebellion or insurrection
- results from an act of declared or undeclared war (this restriction, however, does not apply to persons who become disabled as a result of such an act to which they have been exposed by the performance of duties outside Canada at the direction of the employer)

Note: If you become disabled, you should consult your departmental compensation services unit or the Public Service Pay Centre even if you are unsure whether or not you qualify for benefits.

Coverage and contributions

▶ In this section

How much will I pay for coverage?

Each month, you will contribute a specified amount for each $1,000 of your annual insured salary. Your insured salary is your annual salary taken to next highest multiple of $250. For example, if your annual salary is $44,825 at the end of your elimination period, then your insured salary would be $45,000.

Does my employer contribute to the DI Plan?

Currently, DI premiums are 85% employer-paid; you pay the remaining cost.

How do I make my contributions to the DI Plan?

Your premium contribution is normally made by payroll deduction.

Leave of absence

Am I covered during a leave of absence?

Your coverage will continue without interruption during any period in which you are on an authorized leave of absence.

If you are on paid leave, the required premiums will be deducted from your salary in the usual way.

If you are on a leave of absence without pay, the required contributions are payable by deduction from your salary when you return to active duty following cessation of the leave. If your employment terminates following the leave, you will be required to pay the outstanding contributions in a lump sum.

Deductions will be made over a period equal to the period during which you were on leave. The amount payable on return to active duty may include both employer and employee contributions for the period of absence. You will not be required to pay the employer’s share of the premium for the first three months of any period of leave without pay or if your department or agency certifies that the reason for your leave was one of the following:

- illness
- related to the birth or adoption of a child and the leave occurs within 52 weeks of the birth or adoption
- to undergo training or instruction that would be to the advantage of your employer
- to serve with an organization where the service is recognized as being to the advantage of the department or to the government

- to serve with certain types of commissions or federal agencies
- to serve with the Canadian Armed Forces
- to participate under a leave with income averaging or a pre-retirement leave arrangement

Termination of coverage

When does my coverage terminate?

Your insurance coverage will cease on the date you cease to be employed or on the date you cease to qualify as an eligible employee or on the date the group policy terminates.

What happens if the group policy terminates?

If, the group policy was to terminate for any reason after your disability commenced, any benefits for which you may be eligible will be paid and will continue to be paid as long as you remain totally disabled.

Submitting a claim

▶ In this section

How do I submit a claim?

The insurer is committed to making prompt and accurate payments of benefits to which you may become entitled. If you become disabled, and you believe your disability will last long enough to qualify you for benefits, you should notify your immediate supervisor or manager who will take care of the next steps with the Public Service Pay Centre or departmental compensation services unit.

In order to be considered for DI benefits. The following four forms must be completed by you, your employer and your doctor (attending physician). These forms:

- are required for you to make a DI benefits claim
- should be completed as clearly and fully as possible
- must be submitted with supporting documents to the insurer to begin processing your claim for DI

The forms should be sent two months prior to the end of the elimination period (13 weeks or the exhaustion of your sick leave, whichever is later). If you fail to submit the forms by this time limit, you may not be entitled to some or all benefit payments. Once the insurer receives the four completed forms, your claim will be processed withing approximately 10 business days.

All four DI claim forms can be found on the insurer website.

1. Employee’s Statement (490L-M-12500-E)
2. Attending Physician’s Questionnaire (490L-P-12500-GEN-E, 490L-P-12500-MHC-E, or 490L-P-12500-MSK-E)
3. Employer’s Statement (Immediate Supervisor or Manager) (4841-E)
4. Employer’s Statement (Compensation/Human Resource advisor) (4811-E)

They can be downloaded, completed by hand or electronically saved as an email attachment and submitted electronically with electronic signatures to disabilityclaims@sunlife.com or faxed or mailed to the insurer according to the instructions on each form.

It is your responsibility to provide the insurer with sufficient medical evidence to support your total disability through these forms. If the information is not sufficient to establish that you are totally disabled, the insurer may arrange for you to be assessed by an independent medical specialist.

Ask your doctor to provide a full, well-documented report that clearly details the medical evidence supporting your diagnosis and prognosis. Your doctor may wish to supplement the required information on the form with narrative reports and copies of any tests or investigations conducted. It is your responsibility to ensure that your doctor completes the medical statement and that it reaches the insurer without delay.

If more than one doctor is involved in the assessment or treatment of your disabling condition (for example, medical specialist(s)), you should ask them to supply the insurer with their detailed medical report.

The insurer’s website also provides an Employee DI claim guide that can help complete your claim package and provide additional information regarding your claim process.

If your supervisor or manager is not available, your more senior manager may instead complete and submit the supervisor’s statement form (Immediate Supervisor or Manager) (4841-E), provided they indicate to the insurer that they are doing so because of the unavailability of your direct supervisor or manager. In these cases, the name of the unavailable direct supervisor or manager should be indicated on the Employer’s Statement (Immediate Supervisor or Manager) (4841-E) form, on a separate sheet of paper, or in the submission email. If completion by a more senior manager is not an option, contact the insurer.

Submission before the end of the elimination period (13 weeks or the exhaustion of your sick leave, whichever is later) gives the insurer an opportunity to advise you of the decision on your claim prior to the first day your DI benefits become payable. If the claim is approved, payment can be processed on that day. Please note that any omissions or unclear statements in completed forms could result in a delay in processing your claim.

Once your claim is received the insurer has the right to:

- request additional medical information from your doctor
- arrange for your examination by independent medical specialists or other service providers.

A Step-by-Step Guide to the Disability Claim Process pamphlet will be made available to you by the insurer following the receipt of your claim. The pamphlet clearly describes how your DI claim is processed.

Disability Insurance (DI) claim payments

▶ In this section

When do my benefit payments start?

Your disability benefits will be paid once you have used all of your sick leave, provided that the elimination period of 13 weeks has been met. In most cases, the elimination period consists of a complete absence from work for a minimum period of 13 weeks. In certain circumstances, however, periods of absence due to the same illness or condition that occurred within the year immediately prior to the date of total disability, can be used in calculating the elimination period. These situations must be referred to the insurer for a decision on an individual basis.

If you are a seasonal employee, the elimination period is applied in a slightly different way because of your special terms and conditions of employment. You should, therefore, consult your departmental compensation services unit or the Public Service Pay Centre for details.

What percentage of my income will be replaced if I become disabled?

If you become disabled, your gross annual benefit will be 70% of your insured annual salary on the date of completion of your elimination period. The disability benefit will be offset by other income that you receive for the same disability or a subsequent one.

Are my benefits affected by changes in the cost of living?

Your net benefit (i.e. the amount payable to you after offsets have been applied) will be increased in relation to the cost of living, up to a maximum of 3%.

For example, if the cost of living were to rise by 2%, your net monthly DI benefit of $1,125 would be increased by 2% January 1, following the effective commencement date of your benefits to become $1,147.50. If the cost of living were to rise by more than 3% per year, your net monthly DI benefits of $1,125 would be increased by 3% January 1 following the effective commencement date of your benefits, to become $1,158.75.

At the same time, your Public Service Superannuation Act (PSSA) and Canada Pension Plan (CPP) or Quebec Pension Plan (QPP) benefits would also be increased in relation to the rise in the cost of living. No matter what level of increase you receive under those plans, that increase would not be included in the offset against your DI benefits. You would receive the full benefit of escalation under the other plans.

On January 1st of each subsequent year, your DI benefits would be adjusted by further increases in the cost of living to a maximum of 3%. Again, you would receive the full cost of living increase in your PSSA and CPP or QPP benefits without offset.

What are my obligations with respect to my claim?

While you are receiving benefits, you must be under the regular care of a licensed physician and following a course of treatment. You must also comply with recommended treatment modalities which may facilitate your return to your employment during the first 24 months of disability or to obtain employment in a commensurate occupation at the end of the 24 months of disability.

What if I cannot manage my own affairs?

If you become disabled to the point where you are unable to manage your own affairs, only a limited number of payments can be made without a formal court order authorizing a particular person or agency to act on your behalf. A power of attorney may not suffice for this purpose.

Types of income deducted from my DI benefits

▶ In this section

What types of income will be deducted?

DI benefits are designed to supplement disability income and other types of income received from sources such as the PSSA and disability income under the CPP or the QPP. These deductions are called offsets. You will receive 70% of your salary in total from all sources for as long you remain eligible for disability benefits.

The following examples illustrate the most common types of income that would be deducted from your DI benefits:

- benefits you receive under the PSSA

- disability benefits you receive, other than benefits payable to or on behalf of your dependants, under the CPP or the QPP
- benefits you receive under the *Government Employees Compensation Act*, or similar benefits under a plan of the federal government or any other government
- disability benefits paid or available under another group insurance plan
- benefits payable under the legislation of any government, such as income replacement benefits under a no-fault automobile insurance plan
- amounts received for wage loss replacement under a third-party damage award

What types of income will not be deducted?

The following are examples of income that would not be deducted from your DI benefits:

- increases related to the cost of living under the PSSA, CPP or QPP
- return of superannuation contributions where no other pension option is available
- benefits received under a purely private and personal insurance policy
- severance pay
- special lump sum payments associated with employer-sponsored departure incentive programs

PSSA offsets under the DI Plan are illustrated on a chart included as an Appendix to this booklet.

If you retire from the public service, please consult your departmental compensation services unit or the Public Service Pay Centre prior to opting for a benefit under the PSSA since your choice of PSSA benefit options will affect your monthly DI benefits.

If you receive “other income” in the form of a lump sum payment in lieu of monthly installments, the monthly installments that you would otherwise have received will be treated as an offset.

Should you consider your medical condition to be severe and prolonged, you should apply for CPP or QPP disability benefits and provide the insurer with documentation regarding your application.

The DI Plan contract stipulates that if the medical evidence indicates that you might be eligible for CPP or QPP disability benefits, the insurer has the right to reduce your basic monthly DI benefits by the estimated amount of your CPP or QPP entitlement. You may defer this offset by agreeing, in writing, that you will pursue a claim for CPP or QPP benefits and reimburse the DI Plan for any CPP or QPP benefits that are ultimately approved. If you have applied for, and been denied, CPP or QPP benefits but the insurer thinks you have grounds for a successful appeal, you would be required to continue pursuing your CPP or QPP claim until the conclusion of the appeal process.

If you do not apply for CPP or QPP benefits when requested to do so, your DI benefits can be offset by an estimated amount of your CPP or QPP benefits. This deduction can continue until all avenues of appeal under the CPP or QPP have been exhausted. Ultimately, if you are ineligible for CPP or QPP benefits, the amounts previously withheld would be repaid to you.

Do retroactive salary increases affect the calculation of my DI benefits?

In accordance with the Disability Insurance Contract, the retroactive salary increase provision applies only to claimants whose disability began on or after March 1, 1993.

Any retroactive salary increase approved after the start date of your DI benefits will affect your insured salary and benefit level only when the effective date of the increase precedes the date your DI benefits began. Therefore, a retroactive salary increase approved in April, to take effect from February 10, would only be used to adjust benefits if your DI benefits began February 11 or later.

Are my DI benefits subject to income tax?

If you qualify for benefits under the DI Plan, the amount you receive will be subject to income tax. At the end of each year, the insurer will send you a form indicating the total amount of benefits paid to you during that particular year. Prior to January 1, 2015, withholding income taxes from DI benefits payments was an option. Effective January 1, 2015, the Canada Revenue Agency (CRA) has made it mandatory for income taxes to be withheld from all DI benefits. Therefore the insurer, in accordance with the CRA, will automatically deduct income taxes at source. The monthly premiums you pay while you are employed are not tax deductible from earnings. If you become eligible for benefits, the total amount of the premiums you have paid from the time you became a member of the DI Plan may be deducted for tax purposes from the amount of the disability income you received from the Plan. If the total amount of premiums you have paid under the DI Plan exceeds the benefits you receive during the first taxation year in which your benefits begin, you can carry over the excess amount to the following year.

Rehabilitation program

▶ In this section

What is the rehabilitation program?

This is a program designed to assist disabled plan members to regain an acceptable level of employment. The insurer has a rehabilitation Unit, with rehabilitation case managers whose staff take an active role in contacting, counseling and assisting DI Plan members who may be able to re-enter the work force.

A rehabilitation program may be a program of vocational training or a period of work for the purpose of rehabilitation and must be approved in writing by the insurer. You may be able to engage in such a program for up to 24 months from the end of your elimination period without losing your qualification for benefits.

The following alternatives can be considered:

- modifying the duties of your current position to accommodate your limitations
- placing you in a less demanding job suitable to your capabilities
- modifying the conditions of work (e.g. working less than full-time hours for the necessary recovery period)

These alternatives may facilitate your return to the workplace. They must, however, be approved in writing by the insurer as meeting the definition of "rehabilitative employment". If, while receiving DI benefits, you feel that you are capable and would like to participate in a rehabilitation program, you should contact the insurer.

How do earnings from rehabilitation employment affect my disability benefits?

Normally, your monthly disability benefits will be offset by earnings you receive from other sources. However, income you receive cannot exceed the insured salary upon which your benefit was based.

What are my responsibilities related to the rehabilitation program?

You are required to make every reasonable effort to facilitate recovery from your disability. This includes your full participation in an approved rehabilitation program and your acceptance of any reasonable offer of modified duties that your employer can put in place. You must also try to retrain for employment in a commensurate occupation where it is apparent that you will not be able to return to your regular occupation within the first 24 months that you receive disability benefits. The insurer may withhold or discontinue your benefits if you do not comply.

What if I recover and I become totally disabled again?

If you received disability benefits, recovered from your illness, and then became totally disabled again, the elimination period would be waived according to how long you were back at work:

- for no more than one month, if the two periods of disability are due to unrelated causes
- for no more than six months, if the two periods of disability are due to related causes
- for no more than 12 months, if the two periods of disability are due to the same cause

Appeal process

▶ In this section

Can I appeal the decision of the insurer?

If you disagree with the insurer’s decision at any stage of your claim, you can appeal the decision by providing additional information to the insurer. Your claim, along with any additional information provided, will be reviewed at a more senior level within the insurer’s claim department.

If you disagree with that decision, there are two further levels of appeal available, they are outlined below.

Level one

You may request that your claim be reviewed by the insurer’s Group Disability Management Unit comprised of medical doctors and senior claims analysts. This group will review all information available to them and may request, for example, that your condition be evaluated by an independent medical examiner at the insurer’s expense. You will be advised of their decision. At this point, you can decide to accept the decision or proceed to the second level in the appeal process.

Level two

You may, after receiving the decision at the first level of appeal, decide to seek another opinion. The DI Plan provides for a second formal level of appeal, in the form of an independent review, conducted by the Disability Insurance Plan Board of Management. If you or your representative wishes to have your claim reviewed by the Board, you should write to:

The Secretary
Disability Insurance Plan Board of Management
National Joint Council
C. D. Howe Building, West Tower

7th Floor, 240 Sparks Street
P.O. Box 1525, Station B
Ottawa, ON K1P 5V2

You will be asked to complete an Authorization to Release Information form, which will permit your file to be reviewed by the Board.

Privacy and protection of personal information

▶ In this section

Who can access personal information related to my claim?

Personal information used to adjudicate your claim for DI benefits, is held at Sun Life Financial Assurance Company. Authorized employees or other persons working for or on behalf of the insurer are allowed access to this information while performing their duties, as outlined above. You have the right to have access to the information on file and correct it if needed. You must make any such request to the insurer.

Contact information

▶ In this section

Who can I call for more information?

Your departmental compensation services unit or the Public Service Pay Centre can provide further information on:

- conditions of membership
- application procedures

- commencement, continuation, termination or cancellation of coverage
- claim procedures

How can I contact the insurer?

You can contact Sun Life Assurance Company at the following:

- telephone (toll-free) 1-800-361-5875
- email: disabilityclaims@sunlife.com
- fax (toll free) 1-866-639-7849
- mail:

  Montreal Group Disability Management Office

  Federal Government Disability Insurance Plan

  Sun Life Assurance Company of Canada

  P.O. Box 12500, Station CV

  Montreal, Quebec H3C 5T6

You should quote the following when contacting the insurer regarding a claim:

- group policy number (12500)
- name of the member
- nature of the claim
- employing department (or agency) and your certificate number

Appendix A – Disability Insurance Plan Premium Rate

DI Premium Rate

Each year, the DI Board of Management reviews the financial operation of the DI Plan. Based on this review, the Board, through the National Joint Council (NJC) Executive, makes a recommendation to the President of the Treasury Board regarding the premium rate necessary to ensure that the DI Plan is financially sound and continues to operate in the best interest of plan members.

Consult the Disability Insurance Plan premium rates page for the current approved premium rates.

The cost sharing ratio is 85% employer paid and 15% employee paid.

Please ensure that all members of the DI Plan are provided with a copy of this bulletin.

Appendix B – Treatment of Benefits Payable Under the Public Service Superannuation Act as Offsets from Disability Insurance Benefits

The following table outlines the treatment of Benefits Payable Under the Public Service Superannuation Act (PSSA) as offsets from Disability Insurance Benefits.

Table 1: Treatment of benefits payable under the Public Service Superannuation Act (PSSA) as offsets from Disability Insurance (DI) Benefits

Circumstance	PSSA benefit option	Offset from DI Plan
1. Termination with less than 2 years service	Return of contributions	No offset
2. PSSA disability retirement approved	Immediate annuity or Lump sum payment	Offset immediately in full monthly amount Offset immediately by amount equal to monthly immediate annuity until full amount of lump sum has been offset
3. PSSA disability retirement applied for but not approved	Deferred annuity at age 60 Annual allowance from age 50 onwards Transfer value Return of contributions	Offset at age 60 Offset when payable Monthly offset at age 60 by amount equal to monthly deferred annuity but capped when total of transfer value or lump sum has been offset
4. Application for PSSA disability retirement not made	Immediate annuity Deferred annuity at age 60 Annual allowance from age 50 onwards Actuarial transfer value Return of contributions	Offset immediately by full monthly amount Offset immediately by monthly amount of equivalent immediate annuity unless claimant proves that an application for a disability retirement had been declined; capped when total of actuarial transfer value or return of contributions has been offset Where such proof is provided, offsets as in 3 above

Appendix C – Example of a benefit calculation

1. Your annual salary at end of elimination period	$44,825
2. Your insured salary (annual salary taken to next highest multiple of $250)	$45,000
3. Your gross annual DI benefits is 70 per cent of insured salary = (0.70 multiplied by $45,000)	$31,500
4. Less other income you received during the year	
ex: PSSA benefit	$10,000
CPP disability benefit	$8,000
Total other income	$18,000
5. Your gross annual DI benefits	$31,500
Less other income	$18,000
Net annual DI benefits	$13,500
6. Amount of monthly DI payments ($13,500 divided by 12)	$1,125

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