

CITY OF CHANDLER

SHORT TERM DISABILITY INCOME BENEFITS

I. PURPOSE

The purpose of this policy is to provide short term disability income benefits to replace a portion of lost earnings for covered Members who are unable to work as a result of a non-work related disability in order to help ease income problems caused by a period of total disability.

II. POLICY

Employees who become totally disabled due to a non-occupational injury, accidental injury, or illness are eligible to receive short term disability benefits (STD) on the 60th consecutive day of the disability.

A. Summary of Benefits

Benefit Percentage	66 2/3% of base earnings
Maximum Benefit Duration	120 Days
Elimination Period	59 days after eligibility date

B. Benefits

Benefit coverage is effective on the first day of the month following one full calendar month of employment for regular employees working 20 hours or more per week. Coverage is also contingent upon the employee being designated a Member and meeting the Active Work Requirement.

A Member is defined as:

- An active regular employee of the City of Chandler, other than a temporary or seasonal employee;
- Able to perform the essential duties of their job classification;
- Regularly scheduled to work at least 20 hours each week; and
- Eligible for employee benefit coverage.

To meet the Active Work Requirement, a member must have completed one full day of active work for the City of Chandler. If an individual is disabled on the date of Eligibility as defined above, then the effective date of STD coverage will be delayed until the day after one full day of active work has been completed.

III. DEFINITIONS

Total Disability - This program defines disability as a condition that prevents the member from performing the essential duties of the employee's job classification.

Elimination Period - The elimination period for STD is defined as the length of time the member must be continuously totally disabled before STD Benefits become payable.

Weekly Earnings - Weekly earnings is defined as the member's weekly base rate of earnings from the City of Chandler excluding bonuses, overtime pay, assignment pay(s) and any extra compensation as of the beginning date of disability. Guaranteed overtime for fire shift personnel is included in the member's weekly base rate of earnings for purposes of this policy.

Base Rate of Earnings - Base rate of earnings is defined as the rate of pay in effect for the member as of the date of disability and will be used to calculate the member's STD Income Benefit for the duration of the disability period.

Amount of STD Income Benefit - The amount of the STD Benefit is defined as 66 2/3% of the member's base bi-weekly earnings.

Once the member qualifies for benefits, sick leave MAY NOT be used to make up any difference between STD Benefits and normal net take home pay. (See City of Chandler Personnel Rule 15, Section 11.1) Members are eligible to use sick leave during a period of disability only if they are not drawing STD Income Benefits. All sick leave available in the member's sick leave bank must be exhausted through the last full day of sick leave pay before STD Income Benefits becomes payable. Donated vacation leave, which converts to sick leave upon donation but is tracked separately from regular sick leave accruals, is not covered by the exhaustion requirement and may be used to supplement the STD Income Benefit. Members may use vacation leave, donated leave, and compensatory time when receiving STD Income Benefit. This time may be used to supplement the STD Income Benefit only to the extent that total compensation does not exceed the member's normal net take home pay.

IV. RESPONSIBILITIES

- It is the responsibility of the member to contact the City's STD Income Benefits Administrator, to file a claim.
- It is the responsibility of the member to notify the City's Human Resources Division that a claim has been filed with the City's STD Income Benefits Administrator.
- It is the responsibility of the member to provide the City's STD Income Benefits Administrator with any and all information requested.
- It is the responsibility of the member to follow the instructions provided by the City's STD Income Benefits Administrator.

V. PROCEDURES

A. Maximum Benefit Period

Maximum Benefit Period means the longest period of time for which STD Benefits are payable for any one period of continuous total disability, whether from one or more causes.

The Maximum Benefit Period for members is 120 days.

The Maximum Benefit Period begins at the end of the Elimination Period. STD Income Benefits will stop at death or at any time during the Maximum Benefit Period when the employee no longer qualifies for STD Income Benefits. STD Income Benefits will stop at the end of the Maximum Benefit Period even if the member is still totally disabled.

B. Temporary Recovery During the Maximum Benefit Period

After STD Benefits become payable, a period of temporary recovery from total disability will have the following effect: For purposes of continuing STD Income Benefits during the Maximum Benefit Period, any two periods of total disability from the same cause or causes will be added together. If the employee returns to work for less than 10 days, this will be treated as one period of continuous total disability. Thus, a new Elimination Period will not be required and the amount of benefit will not change. The Maximum Benefit Period will be the balance of the original 120 days minus the days used by the employee before he/she returned to work.

No STD Income Benefits will be payable under this provision after benefits become payable under another group disability insurance policy. This rule prevents double coverage if the member becomes insured under another policy while working during a period of temporary recovery. This rule does not apply to any private insurance that the member may have to cover such occurrences.

C. Payments of Benefits

All STD Income Benefits will be paid directly to the member by the City. If the member should die and any STD Income Benefits remain for that payroll period unpaid, the benefits will be paid to the member's estate for that period only and subsequently all STD Income Benefits will cease.

D. Proof of Disability

Proof of each of the following elements for Proof of Disability must be provided to the City's STD Income Benefits Administrator at the member's expense. No STD Income Benefits will be paid if the City's STD Income Benefit's Administrator has advised the City that satisfactory proof has not been provided by the member:

- That the employee became totally disabled while covered under the group program.
- That the employee was totally disabled throughout the Elimination Period and the period for which STD benefits were claimed.
- That the employee's total disability results from a cause not excluded in this program.
- That the employee is being seen regularly and treated by a physician.
- Of additional information that may be requested in connection with the claim for STD Income Benefits.

If the claim is approved, no STD Income Benefits will be continued beyond the end of the period for which the employee has provided satisfactory written proof of disability.

E. Limitations

The following limitations apply to the plan.

- **ELIMINATION PERIOD:** No STD Income Benefits are payable for the Elimination Period.
- **MAXIMUM BENEFIT PERIOD:** No STD Income Benefits are payable after the end of the Maximum Benefit Period.
- **REGULAR CARE OF A PHYSICIAN:** No STD Income Benefits will be paid for any period of total disability when the employee is not under the regular care of a physician.
- **WORKERS' COMPENSATION:** No STD Income Benefits will be paid during any period in which the member is eligible to receive temporary total disability benefits and industrial leave under the City's workers compensation program.

Note: Contact Human Resources to receive contact information for the City's Short Term Disability Income Benefits Administrator.

VI. APPROVAL



Rich Dlugas, City Manager

6-25-13

Date