State of TN Benefits, FMLA, Sick Leave Bank, Paid Family Leave and Parental Leave

Objectives

- Identify all the available types of disability benefits for employees.
- Understand how the disability benefits work with our current leave benefits.
- Explain FMLA, Sick Leave Bank, and other options and how to guide employees to the best options.

What is Disability Insurance?

- Protects income when an employee cannot work due to an illness or injury of **their own**.
- Replaces a portion of income if the employee is sick or hurt and cannot work.
- Helps cover essential living expenses if the employee is sick or hurt and cannot work.

Disability Insurance

Disability Insurance might be right for your employee if….

- Your employee has little or no Sick and/or Annual Leave saved.

- Your employee doesn't have much in the way of an emergency fund.

- Your employee takes part in high-risk activities.

Short Term Disability

The State offers **two** types of Disability Insurance to eligible employees: Short Term and Long-Term Disability Insurance.

Short Term Disability

- Benefits begin after the end of the elimination period and once all accrued leave is exhausted.
- The elimination period begins the day the employee becomes disabled and is the length of time the employee must wait while being disabled before s/he is eligible to receive a benefit.
- The maximum benefit period is 26 weeks. No pre-existing condition exclusion.

Short Term Disability

- There are **two** options to choose from:
  - **Option A:** 60% of an employee's weekly pre-disability salary; coverage starts after 14 calendar days.
  - **Option B:** 60% of an employee's weekly pre-disability salary; coverage starts after 30 calendar days.

Long Term Disability

- Benefits begin after the end of the elimination period and once all accrued paid leave is exhausted.
- The elimination period begins on the day your employee becomes disabled and is the length of time s/he must wait while being disabled before they are eligible to receive a benefit.
- Pre-Existing condition exclusion is 3 months prior to effective date and 12 months from effective date.

Long Term Disability

- There are <u>four</u> options to choose from:
  - **Option 1:** 60% of an employee’s pre-disability salary; coverage starts after 90 calendar days.
  - **Option 2:** 60% of an employee’s pre-disability salary; coverage starts after 180 calendar days.
  - **Option 3:** 63% of an employee’s pre-disability salary; coverage starts after 90 calendar days.
  - **Option 4:** 63% of an employee’s pre-disability salary; coverage starts after 180 calendar days.

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Disability Insurance

- Elimination Period:
  - The elimination period means "the period during the employee's disability in which MetLife does not pay benefits." It's the employee's waiting period.
  - The elimination period starts on the day the employee becomes disabled and runs **concurrently** with any pay received for Sick, Annual, and Compensatory Leave.

- **NOTE: BECAUSE EVERY DISABILITY IS DIFFERENT, NOT EVERY DISABILITY MAY LAST FOR THE MAXIMUM PERIOD.**

Sick Leave Bank (SLB) Program Overview

- The Sick Leave Bank grants paid Sick Leave to **members** who are medically certified as unable to perform the duties of their jobs because of a personal illness, injury accident, disability, medical condition, quarantine or care of a minor child and who have exhausted all their personal Sick, Annual, and Compensatory Leave balances.

- Sick Leave Bank is strictly for the use of the **employee's** personal illness or injury or care of a minor child.

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Sick Leave Bank Membership Eligibility

- Must be employed with the State for 12 months preceding application for membership.

- Must have a sick leave balance of 6 days as of October 31st to enroll in the Sick Leave Bank. Annual enrollment is from August 1st through October 31st.

- 4 of the required 6 days will be deducted from the employee’s sick leave balance.

- 1 day of sick leave will be assessed October 1st annually after becoming a member of the SLB to maintain membership in the Bank.

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Sick Leave Bank Denials

- Sick Leave Bank applications will be denied for the following reasons:
  - Elective surgery
  - Illness of a family member (other than minor child)
  - Earning or receiving income from other employment
  - During any period, the member is receiving benefits from State of Tennessee short- or long-term disability insurance, disability benefits from social security, the state retirement plan, workers' compensation, or any other employer provided benefits for job or service-related injuries or illnesses
  - Pre-Existing Condition

Sick Leave Bank and Disability Benefits

- An employee **cannot** receive SLB grants and Short Term or Long-Term Disability benefits at the same time.

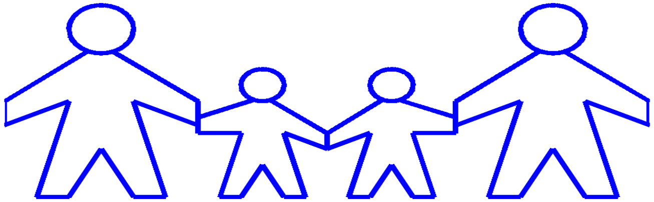
- The Sick Leave Bank pays **100%** of an employee's salary benefits and requires the employee to be in a leave without pay status for **5** consecutive days prior to receiving SLB benefits.

Sick Leave Bank and Disability Benefits FAQs

- Will using days from the "Sick Leave Bank" impact my Short Term or Long-Term Disability benefit payment?
  - Answer: You are NOT required to use days from the Sick Leave Bank. However, if you withdraw days from your Sick Leave Bank, any Sick Leave Bank days that extend beyond the Short Term or Long-Term Disability benefit start date will be an offset to the Short Term or Long-Term Disability benefit. You will not be paid from two different sources for your disability.

Family and Medical Leave Act (FMLA)

- Entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.



Employee Eligibility

- **Employed by covered employer;**
  - Private sector employers with 50 or more employees
  - Public agencies
  - Public and private elementary and secondary schools
- **Worked at least 12 months**
- **Have at least 1,250 hours of service during the 12 months before leave begins**
- **Employed at a work site with 50 employees within 75 miles**

Family and Medical Leave Act (FMLA)

- **Eligible employees are entitled to:**
  - 12 workweeks of leave in a 12-month period for:
    - The birth of a child and to care for the newborn child within one year of birth;
    - The placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement;
    - To care for the employee's spouse, child, or parent who has a serious health condition;
    - A serious health condition that makes the employee unable to perform the essential functions of his or her job; or
    - Any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on "covered active duty."
  - 26 workweeks of leave during a single 12-month period to care for a covered servicemember with a serious injury or illness if the eligible employee is the servicemember's spouse, son, daughter, parent, or next of kin (military caregiver leave).

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Family and Medical Leave Act (FMLA)

- The employee must provide the requested certification to the employer within 15 calendar days after the employer's request, unless it is not practicable under the circumstances to do so.

- Once the employer has enough information to determine whether the leave is being taken for a FMLA-qualifying reason, the employer must notify the employee whether the leave will be designated and will be counted as FMLA leave within five business days absent extenuating circumstances.

FMLA FAQ's

- **Does my compensatory leave I use count toward the 1,250 hours to be eligible for FMLA?**
  - Answer: No, only hours physically worked count towards the 1,250 hours to be eligible for FMLA. Compensatory leave can be used while out on FMLA.

- **Is my employer required to pay me when I take FMLA leave?**
  - Answer: No. However, for the executive branch of state government, to the extent permitted by law, accumulated leave shall run **concurrently** with the employee's family and medical leave entitlement. An employee who is taking FMLA leave because of the employee's own serious health condition or the serious health condition of a family member must use all accrued leave prior to being eligible for unpaid leave. Employees will be allowed to save the necessary time for Sick Leave Bank purposes. Notice of intent to save the requisite day(s) for Sick Leave Bank purposes must be made when requesting FMLA leave. An employee with no accumulated sick, annual, or compensatory leave balances must take his or her leave as unpaid.

FMLA FAQ's cont'd

- **What is a serious health condition?**
  - Answer: conditions requiring an overnight stay in a hospital or other medical care facility;
  - conditions that incapacitate you or your family member (for example, unable to work or attend school) for more than three consecutive days and have ongoing medical treatment (either multiple appointments with a health care provider, or a single appointment and follow-up care such as prescription medication);
  - chronic conditions that cause occasional periods when you or your family member are incapacitated and require treatment by a health care provider at least twice a year; and
  - pregnancy (including prenatal medical appointments, incapacity due to morning sickness, and medically required bed rest).

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Possible Scenarios

- An employee is out on FMLA without pay and files a disability claim. Does the employee need to be placed on direct bill for insurance premiums, or will the premiums be deducted from the disability payment?
  - **No** insurance premiums will be deducted from disability payment. The employee will need to be placed on direct bill with Benefits Administration.

- An employee is out on sick leave bank, will s/he be able to draw a benefit from Short Term or Long-Term Disability?
  - **No**, an employee will not be paid from two different sources for your disability.

Possible Scenarios

- An employee who has the maximum amount of sick leave accrued and is seeking advice on enrollment in Short Term Disability.
  - Although we cannot advise whether to take the plan, a good rule of thumb is to advise an employee that disability insurance is only for their personal illness or injury. This is also a good time to advise an employee the elimination periods which could be a deciding factor.
- An employee who has been on any leave of absence without pay for one full calendar month wants to suspend all benefits except Short Term and/or Long-Term Disability. Can this be done?
  - No, when an employee suspends benefits, all benefits that Benefits Administration bills for are suspended.

Paid Leave (PFL) Options

1. What is Paid Parental Leave?
Paid Parental Leave ("PPL") is a benefit that allows eligible state employees to take an absence from work with pay for up to six (6) workweeks for the birth of a child or the adoption of a child.

What types of absences qualify for PPL?
PPL can be used for:

- The birth of the employee's child, or
- The placement of a child with the employee for adoption.

1. What is Paid Family Leave?
Paid Family Leave ("PFL") is a benefit that allows eligible state employees to take an absence from work with pay for up to six (6) workweeks to care for an eligible family member with a serious health condition.

What types of absences qualify for PFL?
PFL can only be used to care for an eligible family member with a serious illness/condition <u>who is receiving hospice care at the end of life</u>. It includes both in-home hospice care or hospice care provided in a facility such as a nursing home, hospital, or hospice center.

What family members qualify?
Employees can only take PFL to care for their child, spouse, parent, or grandchild (if they have custody of the grandchild at the time leave is requested).

Paid Leave (PFL) Options Cont'd

- **Who can take Paid Family Leave (PFL)?**

- PPL is only available to employees who have been employed full-time with the State for at least twelve (12) consecutive months with one of the following entities:
- The executive branch and all boards, commissions and agencies that fall within the executive branch;
- The judicial branch of state government, including, but not limited to, employees of the administrative office of the courts; The office of the attorney general and reporter;
- The offices of the district attorneys general and the district public defenders;
- The Tennessee higher education commission and all employees of that commission; The Tennessee advisory commission on intergovernmental relations;
- The Tennessee housing development agency and all employees of that agency;
- The employees of the Tennessee rehabilitative initiative in correction board; and
- Any administrative boards and commissions, or any other officers or employees, attached to the entities listed above.

Note: Paid Family Leave (PFL) is not available to employees within the legislative branch of state government, the office of the secretary of state, the office of the state treasurer, and the office of the comptroller of the treasury. These agencies may have their own, Paid Leave.

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