

Section B – Long Term Disability (LTD) Plan – Waiting Period (date of disability on or after April 1, 2011)

1.0 Eligibility

- 1.1 Regular full-time and regular part-time employees, upon completion of the three-month probationary period, become members of the Long Term Disability (LTD) Plan as a condition of employment.
- 1.2 In the event an employee, while enrolled in this Plan, becomes totally disabled on or after April 1, 2011 and before April 1, 2012 as a result of an accident or sickness, then, after the employee has been totally disabled for five (5) months, the employee shall be eligible for long term disability benefits.

In the event an employee, while enrolled in this Plan, becomes totally disabled on or after April 1, 2012 as a result of an accident or sickness, then, after the employee has been totally disabled for four (4) months, the employee shall be eligible for long term disability benefits.

Effective April 1, 2012 one million three hundred and thirty one thousand (\$1,331,000) per fiscal year is allocated from the ongoing 2010-2012 Total Compensation Residual monies to reduce the LTD waiting period from five (5) months to four (4).

- 1.3 Total Disability, as used in this LTD Plan, means the complete inability because of an accident or sickness, of a covered employee to perform the duties of their own occupation for the first two (2) years of disability. Thereafter, an employee who is able by reason of education, training, or experience to perform the duties of any gainful occupation for which the rate of pay equals or exceeds seventy percent (70%) of the current rate of pay for their regular occupation at the date of disability shall no longer be considered totally disabled under the Plan. However, the employee may be eligible for a Residual Monthly Disability Benefit (See Section B – 6 Residual Monthly Disability Benefit of this Appendix).

Total disabilities resulting from mental or nervous disorders are covered by the plan in the same manner as total disabilities resulting from accidents or other sicknesses.

- 1.4 During a period of total disability an employee must be under the regular care of a medical doctor.

2.0 Exclusions from Coverage

- 2.1 The LTD Plan does not cover total disabilities resulting from:
- 2.1.1 war, insurrection, rebellion, or service in the armed forces of any country;
 - 2.1.2 voluntary participation in a riot or civil commotion, except while an employee is in the course of performing the duties of their regular occupation;
 - 2.1.3 intentionally self-inflicted injuries or illness.

3.0 Application for LTD Benefits

- 3.1 A written application under the LTD Plan shall be sent to the claims-paying agent no longer than forty-five (45) days after the earliest foreseeable commencement date of benefit payments from the LTD Plan or as soon thereafter as is reasonably possible. Failure to apply within the time stated shall not invalidate nor reduce the claim if it was not reasonably possible to file the required application within such time, provided the application is sent no later than six (6) months from the time the application is otherwise required.

4.0 Waiting Period/Transition to LTD

- 4.1 Employees who still have unused sick leave credits after the waiting period when the long term disability benefit becomes payable shall have the option of:
- 4.1.1 using sick leave credits to top up the long term disability benefit; or
 - 4.1.2 banking the unused sick leave credits for future use.
- 4.2 Employees who will be eligible for benefits under the LTD Plan shall not have their employment terminated. Following expiration of their sick leave credits and/or any other paid leaves to which they are entitled, they shall be placed on unpaid leave of absence until receipt of LTD benefits.
- 4.3 Employees who have a CMP and participate in transitional work, a graduated return to work or an accommodation during

the LTD waiting period will not have their entitlement to LTD benefits delayed as a result of participating in the CMP.

- 4.4 An employee who has been granted any unpaid leave of absence totaling less than twenty-one (21) days in any year (including time while in receipt of LTD) shall continue to accumulate all benefits.
- 4.5 An employee shall not accumulate benefits from the twenty-first (21st) day of unpaid leave (including time while in receipt of LTD) to the last day of the unpaid leave (see Article 37 of the PCA).
- 4.6 Upon expiration of an unpaid leave an employee shall receive credit for previously earned benefits and shall resume accumulating benefits.

5.0 LTD Benefits

- 5.1 Provisions set out under Section B – 4.4, 4.5 and 4.6 apply to employees in receipt of LTD benefits.
- 5.2 Medical, Extended Health and Dental – Employees on long term disability who have already been granted unpaid leave of absence (including time while in receipt of LTD benefits) totaling up to twenty (20) days in any year may choose to continue to maintain any or all of the Medical, Extended Health and Dental benefit plan coverage. The premiums will be cost shared by the employer and employee on a 50-50 basis provided the employee pays their portion of the premium for such coverage in advance on a monthly basis.
- 5.3 Pension – Employees on long term disability shall be considered employees for the purposes of pension in accordance with the Municipal or the Public Service Pension Plan Rules, as applicable.
- 5.4 Group Life Insurance – Employees on long term disability shall have their group life insurance and AD&D premiums waived and their coverage continued.
- 5.5 LTD Premiums – LTD premiums shall be waived while an employee is in receipt of a disability benefit from the LTD Plan.
- 5.6 Totally disabled employees shall receive a benefit equal to seventy percent (70%) of the first \$5843 of the pre-disability

monthly earnings and fifty percent (50%) on the pre-disability monthly earnings above \$5843 or sixty-six and two-thirds percent (66-2/3%) of pre-disability monthly earnings, whichever is more. The \$5843 level is to be increased annually by the increase in the weighted average wage rate for employees under the PCA for the purpose of determining the benefit amount for eligible employees as at their date of disability.

It is understood that this adjustment will only be applied once for each eligible employee, i.e., at the date of the disability, to determine the benefit amount to be paid prospectively for the duration of entitlement to benefits under the LTD Plan.

- 5.7 In the event that the LTD benefit falls below the amount set out in Section B – 5.6 above for the job that the claimant was in at the time of commencement of receipt of benefits, LTD benefits will be adjusted prospectively to seventy percent (70%) of the first \$5843 of the current monthly earnings and fifty percent (50%) on the current monthly earnings above \$5843 or sixty-six and two-thirds percent (66-2/3%) of current monthly earnings, whichever is more based on the wage rate in effect following review by HBT/underwriter every four years. (Note: the \$5843 figure will be adjusted as set out in Section B – 5.6 above).
- 5.8 For the purposes of the above, earnings shall mean basic monthly earnings (including isolation allowances where applicable) as at the date of disability. Basic monthly earnings for regular part-time employees shall be calculated on the basis of the employee's average monthly hours of work for the twelve-month period or such shorter period that the employee has been employed, prior to the date of disability, multiplied by their hourly pay rate as at the date of disability.
- 5.9 The LTD benefit payment shall be made so long as an employee remains totally disabled and shall cease on the date the employee reaches age sixty-five (65), recovers, dies, or is eligible for and begins receiving the Early Retirement Incentive Benefit ("ERIB"), whichever occurs first.
- 5.10 Employees are not to be terminated for non-culpable absenteeism, while in receipt of long term disability benefits.

6.0 Residual Monthly Disability Benefit

- 6.1 The Residual Monthly Disability Benefit is based on eighty-five percent (85%) of the rate of pay at the date of the disability less the rate of pay (the minimum being equal to seventy percent (70%) of the current rate of pay for their regular occupation) applicable to any gainful occupation that the employee is able to perform. The Residual Monthly Disability Benefit will continue until the rate of pay (the minimum being equal to seventy percent (70%) of the current rate of pay for their regular occupation) applicable to any gainful occupation that the employee is able to perform equals or exceeds eighty-five percent (85%) of the rate of pay for their regular occupation at the date of the disability. The benefit is calculated using the employee's monthly long term disability net of offsets benefit and the percentage difference between the eighty-five percent (85%) of the employee's rate of pay at the date of disability and the rate of pay (the minimum being equal to seventy percent (70%) of the current rate of pay for their regular occupation) applicable to any gainful occupation that they are able to perform.

Example:

- (a) Monthly long term disability net of offsets benefit = \$1000.00 per month
- (b) 85% rate of pay at date of disability = \$13.60 per hour
- (c) 70% of current rate of pay = \$12.12 per hour
- (d) percentage difference $[(b/c) - 1] = 12.2\%$
- (e) Residual Monthly Disability Benefit $(a \times d) = \$122.00$

7.0 Integration with other Disability Income

- 7.1 In the event a totally disabled employee is entitled to any other income as a result of the same accident, sickness, mental or nervous disorder that caused them to be eligible to receive benefits from this Plan, the benefits from this LTD Plan shall be reduced by one hundred percent (100%) of such other disability income.
- 7.2 If other disability income is available to the employee, they must apply for this income prior to receiving LTD benefits. Other disability income shall include but is not limited to:

- 7.2.1 any amount payable under any Workers' Compensation Act or law or any other legislation of similar purpose; and
 - 7.2.2 any amount the disabled employee receives from any group insurance, wage continuation, or pension plan of the Employer that provides disability income; and
 - 7.2.3 any amount of disability income provided by a compulsory act or law; and
 - 7.2.4 any periodic primary benefit payment from the Canada or Quebec Pension Plans or other similar social security plan of any country to which the disabled employee is entitled or to which they would be entitled had they applied for such a benefit; and
 - 7.2.5 any amount of disability income provided by any group or association disability plan to which the disabled employee might belong to or subscribe.
- 7.3 Private or individual disability plan benefits of the disabled employee shall not reduce the benefit from this Plan.
- 7.4 If a disabled employee becomes entitled to other disability income, such as a WCB or CPP award, as a result of the same accident, sickness, or illness for which they are eligible and entitled to receive LTD benefits under the LTD Plan, then the LTD Plan is entitled to be repaid in accordance with Appendix B.
- 7.5 The amount by which the disability benefit from this Plan is reduced by other disability income shall be the amount to which the disabled employee is entitled upon becoming first eligible for such other disability income. Future increases in such other disability income resulting from increases in the Canadian Consumer Price Index or similar indexing arrangements shall not further reduce the benefit from this Plan until the LTD benefit payable is recalculated to reflect current wage rates [Reference Section B – 5.7].

8.0 LTD Plan Early Retirement Incentive Provision

- 8.1 The LTD Plan Early Retirement Incentive Benefit ("LTD Plan ERIB") is to ensure that the eligible employee will not realize a pension benefit that is less than the pension benefit that they would have been entitled to receive at the normal retirement

date, had they not applied for early retirement, regardless of when the early retirement incentive provision is activated.

8.2 An employee under this Agreement who is:

8.2.1 eligible for, or who is receiving LTD benefits or who has been in receipt of benefits for four (4) years or more,

8.2.2 eligible for early retirement pension benefits; and

8.2.3 not eligible for the LTD Plan Rehabilitation Provisions shall apply for early retirement.

8.3 The employee's entitlement to benefits under the LTD Plan shall, provided the employee remains eligible as per the definition of Total Disability, continue during the period of time that their application for early retirement is being processed with their pension plan administrator. In the event that the employee is not eligible for an unreduced pension benefit, they may still be eligible for the LTD Plan ERIB.

8.4 Entitlement to and the amount of the LTD Plan ERIB shall be determined by considering the following factors:

8.4.1 the amount of the monthly pension benefit that the employee would have been entitled to receive if early retirement was not elected;

8.4.2 the amount of the monthly early retirement benefit that the employee will receive;

8.4.3 the amount of the gross monthly LTD benefit that the employee is entitled to receive;

8.4.4 the amount of the net-of-offsets monthly LTD benefit that the employee is entitled to receive; and,

8.4.5 the maximum LTD benefit duration period applicable to the employee.

8.5 If the combination of pension benefit, Canada Pension Plan retirement benefit and any other disability income referred to in Section B – 7.2 of this Appendix results in monthly income of less than the LTD monthly income benefit, then the eligible employee shall be entitled to remain on LTD benefits.

- 8.6 An employee who is eligible for the LTD Plan ERIB shall be entitled to receive the benefit in a lump sum, or direct the Healthcare Benefit Trust to any other designate. The employee shall complete an LTD Plan ERIB Application. Upon approval of the employee's application, the employee and the Healthcare Benefit Trust will jointly sign the terms of the LTD Plan ERIB and the employee and the members of the Joint LTD Plan Early Retirement Incentive Committee shall sign the LTD Plan Early Retirement Incentive Agreement on behalf of the Parties to the PCA.
- 8.7 All eligible employees who are entitled to the LTD Plan ERIB shall be entitled to the continuation of the Life Benefit coverage in effect until 65 years of age, or death, whichever is earlier.

9.0 LTD Appeals

- 9.1 LTD claims shall be adjudicated and paid by a claims-paying agent to be appointed by the Trustee. The claims paying agent shall provide toll free telephone access to claimants. In the event a covered employee disputes a decision of the claims-paying agent regarding a claim for benefits under the LTD Plan, the employee may file an appeal requesting that the claim be re-examined by the claims-paying agent.
- 9.2 The claims-paying agent shall provide a decision letter which includes the reasons for acceptance or denial of an appeal and shall provide it to the claimant, and the Union upon receipt of authorization from the claimant.
- 9.3 File disclosure including all medical opinions and case notes shall be provided to the Union when requested and upon receipt of authorization from the claimant.
- 9.4 A claimant shall have a two (2) year time limit to appeal any decision to deny or terminate a claim unless there are good and sufficient reasons to extend the time period. Claimants shall be provided with information about the appeal process and contact information for their union representative.

10.0 Claims Review Committee (CRC)

- 10.1 If the employee continues to dispute a decision of the claims-paying agent, the employee may request to have the claim reviewed by a Claims Review Committee (CRC) comprised of

three (3) independent and qualified medical doctors agreed to by the LTD Plan Advisory Committee.

11.0 Return to Work

- 11.1 Upon return to work following recovery, an employee who was on claim for less than twenty-four (24) months shall continue in their former job. An employee who was on claim for more than twenty-four (24) months shall return to an equivalent position, exercising their seniority rights if necessary, pursuant to Article 13 and Article 19.

12.0 Successive Disabilities

- 12.1 If, following a period of total disability with respect to which benefits are paid from this Plan, an employee returns to work for a continuous period of six (6) months or more, any subsequent total disability suffered by that employee, whether related to the preceding disability or not, shall be considered a new disability and the disabled employee shall be entitled to benefit payments after the completion of another waiting period.
- 12.2 In the event the period during which such an employee has returned to work is less than six (6) months and the employee again suffers a total disability that is related to the preceding disability, the subsequent disability shall be deemed a continuation of the preceding disability, and the disabled employee shall be entitled to benefit payments without the necessity of completing another waiting period.
- 12.3 Should such an employee suffer a subsequent disability that is unrelated to the previous disability and provided the period during which the employee returned to work is longer than one (1) month, the subsequent disability shall be considered a new disability and the employee shall be entitled to benefit payments after the completion of another waiting period. If the period during which the employee returned to work is one (1) month or less, the subsequent disability shall be deemed a continuation of the preceding disability and the disabled employee shall be entitled to benefit payments without the necessity of completing another waiting period.

13.0 Rehabilitation under LTD Plan

- 13.1 Rehabilitative employment shall mean any occupation or employment for wages or profit or any course or training that entitles the disabled employee to an allowance, provided such rehabilitative employment has the approval of the employee's doctor and the underwriter of the LTD Plan.
- 13.2 Approved Rehabilitation Plan (ARP) means a rehabilitation plan that has been jointly developed by the employee and the employee's union, the Disability Management Professional (DMP) and the HBT/underwriter and approved by HBT/underwriter, consistent with the principles of the EDMP. The ARP shall be signed by the employee and the HBT/underwriter.

In the event that an employee is medically able to participate in a rehabilitation activity or program, called an ARP, that can be expected to facilitate a return to their own job or other gainful employment, entitlement to benefits under the LTD Plan will continue for the duration of the ARP as long as the employee continues to participate and cooperate in the ARP.

14.0 Rehabilitation Review Committee (RRC)

- 14.1 In the event that the eligible employee does not agree with the rehabilitation plan or does not agree that they are medically able to participate and cooperate in the rehabilitation plan, then, to ensure benefit entitlement under the LTD Plan, the employee must either:
- 14.1.1 be able to demonstrate reasonable grounds for being unable to participate and cooperate in the rehabilitation plan; or,
 - 14.1.2 appeal the dispute to the Rehabilitation Review Committee (RRC) for a resolution.
- 14.2 The RRC shall be composed of three (3) qualified individuals who, by education, training, and experience are recognized specialists in the rehabilitation of disabled employees. The RRC shall be composed of three (3) individuals chosen on a rotating basis from a list of rehabilitation specialists mutually acceptable to the parties. The purpose of the RRC shall be to resolve the appeal of an eligible employee who:

14.2.1 does not agree with the rehabilitation plan; or,

14.2.2 does not agree that they could medically participate in the rehabilitation plan.

- 14.3 During the appeal process, the eligible employee's entitlement to benefits under the LTD Plan shall continue until the RRC has made its decision. The decision of the RRC shall determine whether or not the eligible employee is required to participate and cooperate in the rehabilitation plan. The rehabilitation plan approved by the RRC shall be deemed to be the ARP. In the event that the eligible employee does not accept the RRC's decision, their entitlement to benefits under the LTD Plan shall be suspended until such time as the eligible employee is willing to participate and cooperate in the ARP.

15.0 Rehabilitative Employment Benefits and Entitlements while in receipt of LTD Benefits

- 15.1 An Employee who returns to gainful rehabilitative employment under an ARP will receive all monthly rehabilitation earnings plus a monthly Long Term Disability benefit up to the amount set out in Section B – 5.6 of this Appendix provided that the total of such income does not exceed one hundred percent (100%) of the current rate of pay for their regular occupation at the date of the disability.
- 15.2 An employee who returns to gainful rehabilitative employment under an ARP and works 15 hours or more per week will have their Medical, Dental, and Extended Health benefits reinstated. Group life insurance, AD&D and LTD premiums are waived.
- 15.3 An employee who returns to gainful rehabilitative employment under an ARP will have all other benefits accrue on a proportionate basis.
- 15.4 Earnings received by an employee during a period of total disability that are derived from employment which has not been approved as rehabilitative employment under an ARP, shall reduce the regular monthly benefit from the Plan by one hundred percent (100%) of such earnings.
- 15.5 If the ARP involves a change in own occupation, the LTD benefit period will continue at least until the end of the first two (2) years

of disability or some lesser period as agreed to by the employee, the Union and the DMP as part of a CMP.

- 15.6 Upon successful completion of the ARP an employee who is unable to return to their own job may have their LTD benefit period extended for a maximum of six (6) months for the purpose of job search.

16.0 Request for Paid Leave while engaged in Rehabilitative Employment and in Receipt of LTD Benefits

- 16.1 Requests for paid leaves, except sick leave, on a day that an employee is scheduled to work will be granted and paid in accordance with the PCA and will not result in income that exceeds one hundred percent (100%) of the current rate of pay for their regular occupation at the date of the disability. (See Section A – 12.1 for leaves while engaged in rehabilitative employment and not in receipt of LTD benefits).

17.0 GRTW Wages and Benefits while in receipt of LTD Benefits

- 17.1 These employees are considered disabled and under treatment.
- 17.2 The employees will receive pay and appropriate premiums for all hours worked. The LTD Plan will pay for hours not worked at two-thirds (2/3) of basic monthly earnings at the date of disability.
- 17.3 On the commencement of a GRTW Medical, Dental, and Extended Health benefits are reinstated. Group life insurance, AD&D and LTD premiums are waived.
- 17.4 An employee who is engaged in a GRTW under an ARP will have all other benefits accrue on a proportionate basis.

18.0 LTD Premiums While On A Leave of Absence

- 18.1 Employees on leave of absence without pay may opt to retain coverage under the Plan and shall pay the full premium. Coverage shall be permitted for a period of twelve (12) months of absence without pay, except if such leave is for educational purposes, when the maximum period shall be extended to two (2) years. If an employee on leave of absence without pay becomes disabled, their allowance under this Plan shall be based

upon monthly earnings immediately prior to the leave of absence.

19.0 Benefits Upon Plan Termination

- 19.1 In the event this LTD Plan is terminated, the benefit payments shall continue to be paid in accordance with the provisions of this Plan to disabled employees who became disabled while covered by the LTD Plan prior to its termination.

20.0 Premiums

- 20.1 The cost of the LTD Plan shall be borne by the Employer. Payment of premiums shall cease on termination of employment or five (5) months prior to an employee's sixty-fifth (65th) birthday, whichever occurs first.

21.0 Administration

- 21.1 The Employer shall administer and be the sole trustee of the Plan.
- 21.2 The claims-paying agent shall provide HEABC and the Association with copies of policies, procedures and guidelines used for claims adjudication.
- 21.3 The Union shall have access to any reports provided by the claims-paying agent regarding experience information.
- 21.4 All questions arising as to the interpretation of this Plan shall be subject to the grievance and arbitration procedure in the PCA.

22.0 Long Term Disability Plan Advisory Committee

- 22.1 The parties will work together to improve the LTD Plan processes. Two (2) persons from HEABC and one person from the HBT or other benefit administrator or service provider shall meet with three (3) representatives of the Association.

23.0 Provincial Collective Agreement Unprejudiced

- 23.1 The terms of the Plan set out above shall not prejudice the application or interpretation of the PCA.