



---

# Executive Committee Meeting

October 2, 2019

KCCA Administration Centre

10:00 a.m.

## **Audio/Video Recording Notice**

*"Board members, staff, guests and members of the public are reminded that the Full Authority Board/Committee meeting is being recorded, and will be posted to the Authority's web site along with the official written minutes. As such, comments and opinions expressed may be published and any comments expressed by individual Board members, guests and the general public are their own, and do not, represent the opinions or comments of the Full Authority and/or the KCCA Board of Directors.*

*The recorded video of the Full Authority meeting is not considered the official record of that meeting. The official record of the Full Authority meeting shall consist solely of the Minutes approved by the Full Authority."*

## **Introductions and Declarations of Pecuniary Interest**

### **Matters Arising**

- a) Self-Insured Short Term Disability Proposal.....2

### **Closed Session - Confidential**

- a) Personnel Matter – Identifiable Person: GM Performance Appraisal .....
- b) Personnel Matter – Identifiable Person: 2020 Salary Proposal and Staffing  
Considerations.....

### **New Business**

---

TO: Executive Committee  
FROM: Elizabeth VanHooren  
Date: October 2, 2019  
Subject: Personnel Policy Update – Self Insured Short Term Disability



**Recommendation: That the update to Personnel Policy PP-08 employee Benefits be adopted; and further**  
**That staff be directed to take the necessary steps to fully enact the policy as presented.**

---

#### **Purpose**

To update Personnel Policy PP-08 Employee Benefits to provide for self-insured short term disability.

#### **REPORT SUMMARY**

- KCCA is part of the Conservation Ontario Employees Benefits Plan with SunLife Financial, administered by Buffet Taylor.
- At the time of the plans renewal in September 2019, KCCA was only one of 3 CAS to continue to participate in the plans short term disability benefit.
- KCCA's premium for the short term disability benefit increased by 113% resulting in an overall year over year increase of \$152.

#### **BACKGROUND**

As a member of Conservation Ontario's Employees Benefits Plan with SunLife Financial the Authority offers the following benefits to employees:

- Basic Employee Life
- Accidental Death and Dismemberment
- Dependent Life
- Long Term Disability
- Short Term Disability
- Extended Health Care
- Dental

Of the 28 CAs insured under the plan KCCA is only one of 3 still using the short term disability benefit. There are 57 plan members at the 3 CAs still participating in STD. The loss ratio for the 2018/2019 period was 316% (\$7,800 in premium versus \$21,255 in paid claims). KCCA had no claims in 2018/2019.

The Benefits plan renews each September. As part of the renewal this year SunLife proposed a 124% increase in the STD premium. Buffet Taylor was able to negotiate a 113% increase. However, this still results in a year over year increase to KCCA's premium of \$152.

Based on the current loss ratio KCCA can expect that premiums for STD will increase substantially over the next several years.

The majority of CAs in the benefits program provide a self-insured short term disability benefit for their employees to provide wage protection until the Long Term Disability Benefit begins – 105 days after disability.

Staff have prepared a draft short term disability benefit as an update to Personnel Policy PP-08 Benefits based on examples from neighbouring CAs and guidance from Employment and Social Development Canada.

If KCCA introduces a short term disability plan in addition to the cost savings of eliminating the insurance premium it may also qualify for an Employment Insurance (EI) premium reduction. In order to be considered for an EI premium reduction the Authority's short term disability plan must meet the following requirements:

1. Employees must be eligible to claim benefits under the plan within three months
2. The waiting period for payment of benefits cannot be more than 7 consecutive days.
3. Benefits paid must be at least equal to the amount of benefits an employee would receive from the EI program (must provide at least 55% of a claimant's average insurable earnings).
4. The plan must be the first payer
5. The plan must provide 24-hour coverage
6. The plan can have certain limitation to the payment benefits. It is acceptable that benefits are not paid to an employee:
  - Who is under the care of a licensed physician
  - Whose illness or injury is covered by workers' compensation, the Canada Pension Plan, or the Quebec Pension Plan
  - Whose illness or injury is intentionally self-inflicted
  - Whose illness or injury results from service in the armed forces
  - Whose illness or injury results from war or participation in a riot or a disturbance of the public order
  - Whose illness or injury occurs while on leave of absence or paid vacation
  - Who is receiving maternity, parental, compassionate care or family caregiver benefits under the [\*Employment Insurance Act\*](#)
  - Who is ill or injured as a result of committing a criminal offence
  - Who is engaged in employment for wage or profit while receiving disability benefits
  - Who is ill or injured during a strike or lockout at the place of employment (if the right to benefits is reinstated on the employee's return to active employment)
  - Who is serving a prison sentence
  - Who is not entitled to EI income benefits payable because he or she is outside Canada

- Whose illness results from the use of drugs or alcohol and who is not receiving continuing treatment for the use of these substances
- Whose illness results from an illness or injury from a motor vehicle accident and who receives benefits under a provincial motor vehicle insurance plan that does not take EI benefits payable into account when paying their benefits
- Who receives a retirement pension from the same employer
- Who has plastic surgery solely for cosmetic purposes, except where attributable to illness or injury or
- Who, in the case of a recurring disability, is receiving benefits according to a reinstatement provision of a group long-term disability plan (as long as the reinstatement period does not exceed six months)

The attached draft short term disability benefit meets all of the above criteria. All full-time regular service employees with more than three (3) months of continuous service are eligible for the plan for a maximum of 15 weeks or 105 days. After 15 weeks of uninterrupted short term disability, long term disability coverage is available through KCCA's benefits provider. The benefit paid is 66.7% of an employee's gross pay.

If an employee applies for short term disability the KCCA would not normally hire a replacement until the leave progressed to a long term disability. Consequently, wage savings would be applied to pay for the benefit negating the need to establish a dedicated reserve for coverage of the self-insured plan.

**Recommendation: That the update to Personnel Policy PP-08 employee Benefits be adopted; and further**

**That staff be directed to take the necessary steps to fully enact the policy as presented.**

---

## ***PP-08 Employee Benefits***

### **Group Insurance Plan**

All regular service permanent employees are eligible for group insurance coverage. The waiting period for benefits is one (3) months.

Details of the coverage is included in the Benefits Booklet.

The employee acknowledges that the Authority shall submit the name of the employee to the insurance carrier for consideration for insurance coverage.

The employee also acknowledges that in the event of a dispute between the employee and the insurance carrier with respect to whether or not the employee or any member of the employee's family is eligible to insurance coverage or is eligible to be paid any sum alleged to be covered, that the Authority is not responsible for obtaining the coverages or for paying any benefits. The Authority will provide the opportunity only, to obtain the coverage subject to the insurer's discretion, and has agreed to pay the premium required by the insurer.

The Authority will pay 100% of the Group Insurance premium for permanent employees.

### **When does coverage end?**

Extended Health Care and Dental coverage will end when the employee retires or reaches age 70, whichever is earlier. However, if a permanent employee retires before age 65 and is at least 55 years of age with a minimum of 10 years of full-time service at retirement, coverage for health, dental and life insurance at 1 times salary will end when the employee reaches 65. However, the employee is responsible for the premium payments. Long Term Disability and Short-Term Disability coverage will end at age 65 or the day you retire, whichever is earlier. Coverage may also end on an earlier date, as specified in the Benefits Booklet or as described within this policy.

During absence on Long Term Disability, employees will continue to receive the Authority's benefits plan coverage to which they were eligible for prior to their illness or non-work related injury, except for accumulation of vacation credits and sick leave credits, subject to the two year maximum set out below.

~~The employee shall be eligible to continue to receive health and dental benefits, paid 100% by the Authority, for a period of up to two years while absent from work on an approved medical leave due to illness or injury, measured from the date of cessation of active full-time employment. The Authority (or its designated third party) reserves the right to seek satisfactory medical confirmation of the employees' inability to work and/or functional abilities or limitations. Medical & dental benefit coverage shall ceases upon absence from active employment in excess of 2 years. It is the general rule that the qualifying period for long term disability starts when the employee first becomes totally disabled and ends after 105 days.~~

If an employee becomes totally disabled while in the KCCA's employ, and qualifies for long term disability benefits or Workers' Compensation, the employee may continue to be enrolled under the KCCA's group extended health care and dental insurance plan until the age of 65 unless the coverage is terminated by the insurer. The Authority will continue to pay 100% of the health care and dental insurance plan until the earlier of:

(1) two years,

## ***PP-08 Employee Benefits***

---

- (2) termination of coverage by the insurer, or
- (3) the employee becomes re-employed.

### **Short Term Disability**

Short term disability is an employee benefit for regular service permanent employees that can bridge the gap between sick days and long term disability. This is a self-insured benefit. Pay is 66.7% of an employee's gross pay. All other benefits are maintained at their regular rate during short term disability leave, provided the employee continues their contributions.

#### Eligibility and Guidelines

- All full-time regular service permanent employees with more than three (3) months of continuous service shall be eligible for short-term disability benefits.
- Employees are eligible for a maximum of fifteen (15) weeks or 105 days of short term disability. After 15 weeks of uninterrupted short term disability, long term disability coverage is available through KCCA's benefits provider.
- All unused sick days, vacation days and overtime hours shall be used first before applying for short term disability.
- Short term disability coverage begins upon receipt and approval of the required medical documentation, or on the effective start date specified by the medical professional, whichever comes first. In any case, qualified employees are eligible for Short term disability payments on the date they are hospitalized. Short term disability begins no later than 7 consecutive days after disability.
- The General Manager, or in his/her absence the Assistant Manager, must be notified when an employee is requesting short term disability. Short term disability benefits shall begin upon receipt and approval of the required medical documentation, or on the effective start date specified by the medical professional, whichever comes first.
- Medical documentation as specified by KCCA is required to substantiate the need for the leave and may be requested at various times throughout the leave. KCCA reserves the right to request an Independent Medical Evaluation (IME) to substantiate the findings of the employee's medical professional. KCCA will pay the full cost of any medical documents or evaluation requested by KCCA.
- KCCA shall attempt to find modified duties when possible and supported by medical documentation.
- For a new disability, reinstatement of coverage of 15 weeks or 105 days of short term disability coverage will occur after one month of return to active service. If the subsequent disability is a recurrence of an earlier one, full benefits will be reinstated no later than three (3) months after the employee returns to work. The employee should fully investigate long term disability coverage.

## ***PP-08 Employee Benefits***

### Medical Documentation

- Medical documentation pursuant to the employee's illness, disability or injury caused absence shall substantiate the claim, and supply dates for the beginning and end of the employee's disability requirements.
- KCCA also requires a doctor to fill out a capabilities form to determine if part of the employee's duties can be fulfilled upon modification.
- In the event that a medical professional determines that the employee cannot perform any portion of their duties and cannot reasonably estimate a required period of absence, the employee shall be subject to medical review every two (2) weeks to recertify their illness or injury or disability.
- KCCA will ensure that all medical information provided is kept confidential. Only those involved in the evaluation of the leave request will view the medical documentation. Specific diagnosis is not required; only whether or not the employee is able to perform part or all of their duties.

### Restrictions

- Short term disability benefits will cease if the employee refuses to present an acceptable medical certificate or refuses to engage in, continue or return to work when it is considered appropriate by an Independent Medical Evaluation.
- The short term disability will not apply for any period to an employee:
  - Who is not receiving appropriate treatment;
  - Who is not under the care of a licensed physician;
  - Whose injury or illness is covered by workers compensation and/or the Canada Pension Plan;
  - Whose illness or injury is intentionally self-inflicted or attempted suicide, while sane or insane;
  - Whose illness or injury results from service in the armed forces;
  - Whose illness or injury results from war or participation in a riot or a disturbance of the public order;
  - Who is receiving maternity, parental, compassionate care or family caregiver benefits under the *Employment Insurance Act*;
  - Who is ill or injured as a result of committing a criminal offence;
  - Who is serving a prison sentence or is confined in a similar institution;
  - Whose illness or injury results from the use of drugs or alcohol and who is not receiving continuing treatment for the use of these substances;
  - Who is not participating in an approved rehabilitation program;
  - Who is absent from Canada longer than 4 weeks due to any reason, unless KCCA agrees in writing in advance to pay benefits during the period;
  - Whose illness results from an illness or injury from a motor vehicle accident and who receives benefits under a provincial motor vehicle insurance plan that does not take EI benefits payable into account when paying benefits;
  - Who has plastic surgery solely for cosmetic purposes, except where attributable to illness or injury;
  - Who is engaged in employment for wage or profit while receiving disability benefits.

## ***PP-08 Employee Benefits***

---

### What the plan will pay

- The benefit paid is 66.7% of an employee's gross pay. If an employee is totally disabled for part of any week, KCCA will pay 1/7 of the weekly benefit for each day they are totally disabled.
- Short Term Disability payments end on the earlier day of the following dates:
  - The date you are no longer totally disabled.
  - The end of a maximum benefit period of 105 days of payment.
  - The date you retire.
  - The date of separation from employment for any reason other than illness or injury, if the notice of separation was given prior to the beginning of the illness or injury.
  - The date you die.

### **Pension Plan**

Effective on their employment date, all permanent regular services employees shall be required to become a member of the Ontario Municipal Employees Retirement System (OMERS).

All requirements for contributions, payment of benefits, refunds or transfers will be in accordance with the OMERS Act.

All employees are eligible to participate in OMERS pension plan after two years of continuous employment as per the conditions contained in the OMERS Act.

### **WSIB**

In case of accidents, all employees shall consult Chapter 20 of KCCA's Occupational Health and Safety Policy and to follow the procedures outlined therein.

All employees who require medical aid and/or are absent from work as a result of an accident or occupational illness incurred in the performance of their work duties shall be entitled to all benefits to the extent provided by the Workplace Safety and Insurance Act, subject to amendment, which includes hospital and medical care.