



Generations

Insurance and Wealth Management Inc.

Protecting yourself and the Company

Over the past couple months there have been a lot of questions about what to do as a company or Administrator when an employee goes on Long or Short Term Disability.

Here are a couple of tips to help protect you in these situations.

If your company does not have a "set rule" already, we would advise you to make it a part of your corporate policy in order to avoid discrimination between employees.

What benefits are covered (or for how long) during certain leaves of absence, disability, or even at retirement.

The relationship between disability and termination can be complex and has seen significant change in recent years. First and foremost, we must recognize that prolonged disability alone is not an acceptable reason for dismissal. Another issue to watch closely is whether an employer is obligated to continue an employee's disability insurance during the entire notice period. This requirement changes by jurisdiction. Employers can lessen the risk of liability by implementing protections and reviewing carefully their current employment contracts.

During short-term disability there should be an established method of claim management. Supervisors or HR departments should have a

set policy on obligations for employees to state the period of absence and the likely date of return. There should certainly be a rule for doctor notes and the frequency of communication with the absent employee.

Where the employee has responsibility to continue premium sharing, this must often continue while the employee is not active.

Employers should make it clear to employees what premiums the employee is responsible to pay. Being enrolled in the group insurance plan as a mandatory corporate policy should be written within orientation materials. There should never be a negotiation as to whether a new employee will join the plan or whether they will pay their share of cost.

If benefits within the group contract can be converted these options should be communicated during an exit process.

As added value, the employer should make employees aware of optional benefits (e.g., Life, AD&D, LTD) if they exist.

There needs to be appropriate communication lead time to amend a policy within the HR manual or certainly any amendments to the group insurance contract. Employees should ideally get something in writing before a new handbook arrives and if possible have the chance to sit in on some type of employee benefit summary meeting.

As always, if you have any questions or concerns please contact us at the numbers below.

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