



Short-Term Disability



Presented by: **Mark LeBlanc**

213-351-7278

mleblanc@ceo.lacounty.gov

**CHIEF EXECUTIVE OFFICE
RISK MANAGEMENT
DISABILITY PROGRAMS**

STD Benefit Options



The County of Los Angeles (County) established the Short-Term Disability (STD) Plan which offers an income replacement to ill, injured, or pregnant employees who are MegaFlex Cafeteria Plan employees.

The STD Plan offers two benefit options for MegaFlex employees to select from during Annual Enrollment.

- **Core benefit:** This core benefit is provided at no cost. It requires a continuous 14-day waiting period followed by 70% income replacement; or
- **Additional benefit:** a continuous 7-day waiting period followed by 21 calendar days of 100% income replacement, then 80% income replacement for the remainder of the approved STD period.

Application Process



- To initiate an STD claim, *an employee must* contact Sedgwick CMS at 1-800-786-8600 or at their website www.sedgwickcms.com/calabasas
- Claims decisions will be processed within 48 hours of receiving the completed claim.
- **Claims must be filed before the end of the waiting period, or a penalty may apply.**
- If the claim is denied, Sedgwick will provide information on how to appeal.

Duration of Benefits & Waiting Period



- An STD claim may remain open for a maximum of 182 calendar days (6 months) from the injured employee's first day of disability, inclusive of the waiting period.
- The 7 or 14 calendar day waiting period is not covered by STD benefits. An employee must use their own available time.
- “*Disability*” means an employee is considered unable to perform their usual and customary job or modified job duties for the County.

Duration of STD Benefits – Recurrent Disability



- Any return to work from a previous disability, followed by a separate and unrelated disability will always be cause for a new claim.
- If there is not a return-to-work, STD benefits are still being received under an existing claim, and a new disability is incurred from an unrelated cause, there is a continuation of the previous injury or illness. The new disability is part of the original 182-day STD period.
- If an employee returns to full-time regular work for more than 29 calendar days and goes off again for the same injury, the employee may be eligible for a new 26 week period of STD benefits. This depends on whether they have exhausted the existing claim and if they have transitioned into Long-Term Disability.

Duration of STD Benefits

Part – Time Disability



- For part-time STD, departments will be asked to provide Sedgwick's Transitional Return-to-Work Unit (TRTW) coordinator with minimum hours that can be accommodated.
- Sedgwick's TRTW coordinator will contact the attending physician for release or confirmation of work restrictions.
- An approved part-time day of STD counts as a full day in the continuous 182 day period.
- Part-time STD should not be paid without a communication from Sedgwick that provides work release information and approval of work schedule.

Use of Time During STD



- An STD recipient may not use accrued time to supplement STD benefits.
- However, an employee may interrupt their STD benefit and request use of their accrued time. As long as the claim remains approved, STD benefits may be resumed at a later date.
- This stopping of benefits and resumption may only be done once during a claim.
- The use of accrued time does not extend the 182 calendar day maximum.

Coordination of Benefits



- STD benefits are reduced on a dollar-for-dollar basis when an employee is receiving other disability benefits for the same condition. Temporary Disability paid on an accepted Workers' Compensation claim is the most common other benefit that would result in a reduction.
- Private benefit plans are excluded.

Coordination of Mega I/A & STD Benefits



Short-Term Disability Benefits and Mega I/A



- MegaFlex plan participants may receive Mega I/A Temporary Total Disability (TTD) benefits in connection with an approved Workers' Compensation claim.
- Mega I/A TTD benefits are usually authorized and paid during the initial first 6 months of disability.
- Mega I/A TTD is not taxable.
- STD is taxable like ordinary income.

Short-Term Disability Benefits and Mega I/A



- The Mega I/A benefit is the state mandated Temporary Total Disability (TTD) rate (2/3 of average weekly wage) paid by their payroll Department.
- The Mega I/A maximum benefit period mirrors the STD benefit in that it runs a total of 182 Calendar days. The difference is that a 7 or 14 day waiting period is not applied to Mega I/A/.
- Total payment for Mega I/A & STD combined, will not exceed the 70% STD benefit calculation, regardless of which STD income replacement option was selected at the time of benefits enrollment.

Sample Calculation



TPA Claim's Examiner Calculation:

- Employees Monthly Salary.....\$6,000
 - Calculated Average Weekly Wage (AWW)....\$1384.72
 - Temporary Total Disability Rate (TTD).....\$923.15
 - 4 wks x \$923.15.....\$3692.60
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- ✓ Mega I/A TTD to employee..... = **\$3,692.60**

Department Payroll Calculation:

- \$6,000 x 70% (STD rate) = **\$4,200**
- \$4200 - \$3692.60 = **\$507.40**

Total Mega I/A & STD Benefit payable to Employee:

- ✓ **\$3,692.60 + \$507.40 = \$4200 Total Benefit**

Payment Process



- I. Department RTW and payroll receive a benefit notice from the WC TPA authorizing payment of Mega I/A TTD.
- II. Department RTW and payroll receive an STD Voucher from Sedgwick (via email) authorizing a specified disability period.
- III. Payroll calculates combined payment of Mega I/A TTD & STD benefits for the approved period.
- IV. Payments are issued to the employee on regular paydays like a paycheck, i.e. with County health plan contributions.

Payment Process



- If the Mega I/A benefit (182-day period) is exhausted and the employee continues to be disabled, it is the responsibility of the WC TPA to determine whether to initiate Post State Rate TTD. Those benefits are not paid through payroll.
- Although it is the WC TPA's responsibility to determine and initiate those benefits, I strongly recommend County RTW personnel set a diary to contact the claims examiner. I recommend doing this at the beginning to middle of the fifth month of disability.

Transition to Long-Term Disability



- Should the disability period exceed the maximum STD benefit period of 182 days, the employee may also qualify for Long-Term Disability (LTD) benefits.
- LTD benefit notifications are typically mailed to STD recipients by Sedgwick around the fourth month of continuous absence due to an approved disability claim.

Resources & Contact Information



Additional STD Information is available on the Chief Executive Office Return To Work Website at:

http://ceo.lacounty.gov/RTW/rtw_default.htm#none

Sedgwick's STD Specialist:

Mirna Ramos (818) 591-7644

Email:

mirna.ramos@sedgwickcms.com

Questions?

