

July 12, 2024

To: Benefit Administrators / Human Resource Personnel

From: Lisa Heron
Manager, Benefit Services

Re: Group Life Continuation After Approved Disability Claim

When a plan member's disability claim closes and they return to work, all their benefits including their basic group life insurance are reinstated at their pre-disability claim level of coverage. However, when a plan member's disability claim closes, and they do not return to work, their basic group life insurance coverage may continue to remain in place for up to 12 or 18 months depending on the timing of the start of their leave and the closure of their disability claim. This bulletin is intended to provide direction on group life insurance coverage continuation when a plan member transitions from an approved disability claim to an unpaid leave of absence.

Approved Disability Claim Followed By Return to Work

When a plan member is on an approved disability claim, their basic group life insurance coverage continues as long as medical supports their disability claim. Premiums are not required to be paid by the plan member as a waiver is in place. When a plan member's disability claim closes and they return to work, all their benefits including their basic group life insurance are reinstated at their pre-disability claim level of coverage. Premiums are once again paid.

Example: Jesse is on an approved disability claim from September 1, 2022, to November 31, 2023. From September 1, 2022, through to November 31, 2023 Jesse's group life insurance coverage continues. Jesse's group life insurance premiums are not deducted and are waived, since Jesse is on an active disability claim. Jesse returns to work when the disability claim closes. All of Jesse's benefits including group life insurance are reinstated at their pre-disability claim level of coverage.

Approved Disability Claim Under 18 Months, Plan Member Does Not Return to Work

When a plan member is on an approved disability claim that closes before 18 months from the start of their initial leave and they do not return to work, their basic group life insurance coverage automatically continues for up to 18 months based on the start of their initial leave. It is mandatory for plan members to continue their basic group life insurance for up to 18 months when on an approved unpaid leave of absence. In this case, the plan member would be responsible for paying the premiums to their employer from when their disability claim closes until their return to work or to the end of 18 months from the start of the initial leave, whichever date comes sooner.

Example: Drew is on an approved disability claim effective December 1, 2023. Drew's claim is closed on June 30, 2024 (7 months later) and they do not return to work at that time. As Drew is now on an unpaid leave of absence, and this is within the 18 months from their initial leave December 1, 2023, Drew will begin paying premiums to continue their mandatory basic group life insurance coverage from July 1, 2024, until they return to work, or to the end of 18 months from the start of their initial leave, whichever date comes sooner.

Approved Disability Claim Over 18 Months, Plan Member Does Not Return to Work

When a plan member goes on an approved disability claim, that closes **after 18 months** from the start of their initial leave, and the plan member does not return to work, the plan member will be provided with the option to elect to continue their group life coverage for up to 12 months from the date their disability claim closed.

When the disability claim is closed, 3sHealth will provide the plan member with the *Application to Continue Group Life Coverage after Disability Income Plan Benefits of Waiver of Premium Coverage is Denied or Terminated* form.

The plan member will be given 30 days to elect to continue their basic group life coverage for up to 12 months from the date their disability claim closed and is responsible for paying the premiums to their employer.

Example: Stacey is on an approved disability claim effective March 1, 2022. Stacey's disability claim is closed on December 31, 2023 (22 months later) Stacey does not return to work at this time. When their disability claim closes on December 31, 2023, 3sHealth Employee Benefits gives Stacey the *Application to Continue Group Life Coverage after Disability Income Plan Benefits of Waiver of Premium Coverage is Denied or Terminated* form so that they may choose to elect to continue their basic group life coverage. Stacey will have 30 days from the from the date their disability claim closed to make this choice and return the form to their employer. If they choose to continue this coverage, they will begin paying premiums to their employer and their coverage could remain in place up to December 31, 2024.

If you have any questions about this bulletin, please call a 3sHealth Benefit Services Officer at 1.866.278.2301 or email ebp@3sHealth.ca.