

PARTIAL DISABILITY BENEFITS

Partial Disability

University-paid and Employee-paid disability benefits may be paid if an eligibility employee is partially disabled. Partial disability is defined as an injury or illness, which prevents you from either performing all of the substantial and material duties of your position, or prevents you from working at least 80% of your normal work schedule, even if you can perform all of your duties. Liberty Mutual supplements your part-time salary with disability benefits based on your lost earnings.

Short-Term Disability (University paid premiums):

If you are a member of the University of California Retirement Plan (UCRP) and maintain an appointment of 43.75% time or greater, you are automatically covered under Short-Term Disability.

Short-Term Disability provides:

- Benefits for non-industrial disabilities only. Industrial disability benefits are paid under Workers' Compensation.
- A waiting period of 7 calendar days or the waiting period you chose for your supplemental disability benefits (if applicable), whichever is longer. The waiting period starts the day you become partially disabled.
- A benefit of 55% of your lost earnings less benefit income from other sources (max. \$800 per month); and
- Benefits paid up to 26 weeks.

Supplemental Disability (Employee paid premiums):

If you are enrolled in this plan, Supplemental Disability will be paid in addition to your Short-Term Disability (or in some cases your Workers' Compensation benefits). Supplemental Disability provides:

- A choice of a 7, 30, 90 or 180 day waiting period (whichever you selected); and
- A total benefit (Short-Term Disability plus Supplemental Disability) of 70% of your lost earnings less benefit income from other sources (maximum of \$10,000 per month); and
- Partial disability benefits paid up to age 65, if applicable.

Liberty Mutual Claim Forms:

You and your treating physician will need to submit claim forms to Liberty Mutual. You should call Liberty immediately to inform them you are claiming partial disability. Their toll-free telephone number is (800) 838-4461 and their address is:

Group Market Disability Claims
Liberty Life Assurance Co.
P.O. Box 37500
Phoenix, AZ 85069

The blue Disability Claim form needs to be completed with your information. In the section requesting how and where your injury or illness occurred, write in "Partial Disability," your modified work schedule, and your diagnosis in this section. In the box asking for "Date Last Worked," indicate the last full day worked before you started your reduced hours based on your doctor's recommendation. Leave the "Date Returned to Work" box blank. In the section "Identify Other Income," give an estimate of your part-time wages (based on your reduced hours) on the first line, and leave the other lines blank. Mail the completed blue Disability Claim Form and the white Reimbursement Agreement to Liberty Mutual in the attached postage-paid envelope.

Fill in the top portion of the yellow Attending Physician's Statement and give it to your doctor. Your doctor will complete the form and then mail or fax it to Liberty Mutual. He or she will need to indicate in Section 3 your work restrictions for your partial disability, e.g., cannot work more than 5 hours per day. Your doctor should also attach copies of test results and consulting physicians' reports, if applicable.

Disability Benefit Payments:

Once your doctor has restricted the number of hours you may work, you must use **up to 30 calendar days (not counting University holidays) of sick leave** before partial disability payments from Liberty Mutual can begin. You must use up to 30 calendar days of sick leave regardless of your waiting period. Each day of partial disability does count as one calendar day. If you have less than 30 calendar days of sick leave, then you are required to use all of your sick leave hours. You are **NOT** required to use your vacation leave before disability payments can begin. The decision to use vacation leave is between you and your department. (See your Department Benefits Assistant if you have any questions regarding vacation usage.)

Disability checks from Liberty Mutual will be mailed directly to your home address. You will receive separate checks for Short-Term Disability benefits and Supplemental Disability benefits (if applicable) every two weeks. Payments from Liberty Mutual will begin after both of the following events have occurred:

- Your sick leave is exhausted (or you have used 30 calendar days of sick leave); and
- Your waiting period is met.

Example:

His doctor has told Terry that he should not work more than 75% time, so Terry is reducing his working hours from 8 hours/day to 6 hours/day. Terry has accrued 30 hours of sick leave. He has a 30-day waiting period, and starts using 2 hours of sick leave each day until his 30 hours have been exhausted three weeks later. When his 30-day waiting period is up, his partial disability benefits would begin.

Taxes

Short-Term Disability - Social Security (OASDI) and Medicare taxes will be withheld from your Short-Term Disability benefit checks, if you normally have OASDI/Medicare withholding from paychecks. Public Law 97-123 states that, effective 1/1/82, OASDI and Medicare taxes must be withheld from disability income benefits paid during the first six months that a disabled employee is off of work. Any benefit you receive from Short-Term Disability is subject to state and federal income taxes and will be reported to the IRS by Liberty Mutual. You may elect state and federal income tax withholding from your disability checks.

Supplemental Disability - Since your monthly Supplemental Disability premiums are taxed, the benefits you receive from Supplemental Disability are **tax-free**.

You will receive a W-2 form directly from Liberty Mutual next year showing Short-Term Disability and Supplemental Disability benefits. Questions regarding your tax liability may be directed to an IRS office or a tax consultant.

California State Disability Insurance (SDI):

You are not required to apply for SDI for a partial disability. If you should become totally disabled and the University has employed you for less than eighteen months at that time, you **MUST** apply for benefits under SDI. A SDI claim form will be mailed to you after you have filed your Liberty Mutual total disability claim. When you receive written notification from SDI regarding their benefit, even if you are denied SDI benefits, send a copy of the letter to Liberty Mutual immediately. Liberty Mutual will automatically withhold part or all of your benefit until they are provided with the SDI notification.

Continuing Your Insurance Plans:

For the period of time you remain partially disabled and are working at least 17.5 hours per week, all of your insurance benefits will continue. If you should average less than 17.5 hours per week or if you become totally disabled you may need to make arrangements for continuation of your benefits. Please contact the Benefits Office at (530) 752-1774 if this should happen.

Medical Insurance

The University will continue to make its contribution towards your medical insurance premium while you are receiving Short-Term Disability benefits (regardless of the percentage of time you are working), provided you do **NOT** separate from the University. If the UC medical plan you selected requires you to pay a portion of the premium, it will be deducted from your part-time salary.

FAMILY AND MEDICAL LEAVE ACT (FMLA) OF 1993

Please note that if your department approves your modified work schedule under federal FMLA guidelines, the University's contribution towards your insurance plans will include contributions for both DENTAL AND VISION as well as medical. However, your department must process your leave as an approved FMLA leave before any premiums can be paid on your behalf. This additional contribution will continue for the maximum FMLA time allowable based on the number of hours of partial disability each week. If you not eligible for FMLA, the University will make its contribution towards medical insurance **ONLY** (not dental and vision) while you are receiving Short-Term Disability benefits from Liberty Mutual. Your department will provide you with the Family and Medical Leave forms.

You are not required to pay your Supplemental Disability premium during a period of partial disability. Call (530) 752-1774 for information on how to cancel your premium. You must re-enroll in Supplemental Disability within 31 days of returning to your normal work schedule.

Other Paycheck Deductions

You should be aware that all of your normal deductions, e.g., 403(b) contributions, will be taken from each paycheck issued during your partial disability. If you have payroll deductions for a loan from the Tax-Deferred 403(b) Plan, insurance premium payments from A+ Auto and Home Insurance, or deductions for a credit union, you may need to make arrangements if your partial salary is not sufficient to cover these payments. You may contact the 403(b) Loan Office at (800) 239-4002 ext. 70747. A+'s toll-free number is (877) 411-1426.

Allowable Time Off:

Submitting a partial disability claim form does **NOT** request or grant a leave of absence or reduced work schedule for you. Contact your supervisor to make these arrangements. You may also want to inquire about your rights under the Family and Medical Leave Act of 1993 while discussing this with your supervisor.

*Please contact the Benefits Office at (530) 752-1774 if you have any questions regarding the benefits discussed herein. **IF YOU BECOME TOTALLY DISABLED, PLEASE CONTACT THE BENEFITS OFFICE IMMEDIATELY.***