

Should I continue my Long Term Disability coverage during my leave of absence?

The answer to this question deserves careful consideration.

Long Term Disability (LTD) insurance provides a safety net that will replace a percentage of your salary and provide pension plan protection should you be unable to work because of an illness or injury.

Your LTD plan recognizes that most members are in a highly vulnerable financial position should they be confronted with a loss of income during a lengthy or permanent disability.



While on leave of absence, you have two options:

1. Maintain your LTD coverage by continuing to pay your premiums, **or**
2. Discontinue your LTD coverage by ceasing your premium payments.

When you return to work your coverage will be reinstated and you will be subject to a pre-existing condition clause.

Maintaining your LTD coverage

If you choose to maintain your LTD coverage and you become disabled while on leave, you are eligible to apply for LTD benefits. There will be no break in your coverage and you will not be subject to a pre-existing condition clause upon your return to work.

Example 1:

Tracey is diagnosed with cancer during her leave of absence. While undergoing cancer treatment, her leave of absence ends and she is unable to return to work. As Tracey maintained her LTD coverage during her leave, she is eligible to apply for LTD benefits. The benefits, payable on or after the date her leave is scheduled to end, will help her replace her income while she is unable to work.

Discontinuing your LTD coverage

If you become disabled while on leave, you will not be eligible for LTD benefits. Upon your return to work, your coverage will be reinstated and you will be subject to a pre-existing condition clause if you become disabled within 12 months from the date of reinstatement.

What is a pre-existing condition?

This is a disability arising from illness or injury for which you obtained medical care during the 90 day period before you become re-insured.

Example 2:

Tracey is diagnosed with cancer during her leave of absence. Tracey did not maintain her LTD coverage during her leave, therefore, she is not eligible to apply for LTD benefits to help her replace her income if she is unable to return to work. If Tracey returns to work after her leave of absence ends, her LTD coverage will be automatically reinstated, but if Tracey has to discontinue work less than one year from her reinstatement of insurance date, her benefits will be subject to a pre-existing condition clause. She can apply for LTD, but if it is determined that her medical condition is pre-existing, her LTD application will be declined.



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