**Flex FAQs – Disability Insurance**

1. **What is the difference between basic and supplemental disability insurance?**

   Basic disability insurance is provided at no cost to all City employees who are eligible for Flex. The Flex program pays the full cost of this coverage. Basic disability pays benefits of 50% of pre-disability earnings up to $2,000 a month (up to $2,763) a month for disabilities beginning January 1, 2008 or later). Basic disability benefits may be paid for a maximum of 24 months. If you are age 67 or older when you become disabled, how long benefits continue depends on your age at disability.

   Supplemental disability benefits offer additional protection you can choose to purchase – paying a benefit of 66 2/3% of pre-disability earnings up to $12,000 a month. Supplemental disability benefits generally continue up to age 65 as long as you continue to meet the definition of disability and other policy requirements. There are two exceptions. If you are over 60 when you become disabled, how long benefits continue depends on your age at disability. Also, if your disability is a mental or nervous disorder, supplemental disability benefits can continue for a lifetime maximum of 24 months – six months of short-term disability combined with 18 months of long-term disability.

   Benefits may be reduced by disability benefits you receive from other sources.

2. **How does my age affect the length of time I can receive benefits?**

   The chart shows the maximum benefit period based on your age at the time you begin receiving disability benefits.

<table>
<thead>
<tr>
<th>Maximum Benefit Period at Ages Shown</th>
<th>Base LTD Plan (Plan 1)</th>
<th>Supplemental LTD Plan (Plan 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>67 or less</td>
<td>1 year, 6 months</td>
<td>61 or less To age 65, or 3 years,</td>
</tr>
<tr>
<td>68</td>
<td>1 year, 3 months</td>
<td>6 months, if longer</td>
</tr>
<tr>
<td>69 or older</td>
<td>1 year</td>
<td>62</td>
</tr>
<tr>
<td>62</td>
<td>3 years, 6 months</td>
<td>63</td>
</tr>
<tr>
<td>63</td>
<td>3 years</td>
<td>64</td>
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<tr>
<td>64</td>
<td>2 years, 6 months</td>
<td>65</td>
</tr>
<tr>
<td>65</td>
<td>2 years</td>
<td>66</td>
</tr>
<tr>
<td>66</td>
<td>1 year, 9 months</td>
<td>67</td>
</tr>
<tr>
<td>67</td>
<td>1 year, 6 months</td>
<td>68</td>
</tr>
<tr>
<td>68</td>
<td>1 year, 3 months</td>
<td>69 or older 1 year</td>
</tr>
</tbody>
</table>

3. **If I retire, can I receive disability benefits?**

   If you retire while receiving disability benefits, you may qualify for reduced disability benefits depending on the amount of your monthly retirement allowance. These reduced benefits could continue for up to the 24-month maximum payment period for basic disability benefits or up to age 65 for supplemental disability benefits.
4. How is disability insurance different from sick leave?

As an employee of the City, you accrue hours in your sick bank. If you are sick, you can use the hours in your sick bank for paid time off under the City's sick leave policies.

Disability insurance helps to replace income if you are unable to perform your job because of a non-work related disability, and disability benefits begin when your 100% and 75% sick pay is completely used. To receive disability benefits, your condition must be approved as a disability. This approval process requires information from you, your doctor and the City.

5. Can I file for Workers' Compensation and disability benefits at the same time?

If you are receiving Workers' Compensation benefits or have a work-related claim that is pending, your claim for short-term disability benefits will be denied by Standard Insurance Company, the claim administrator for Flex disability coverage. Short-term disability benefits are the benefits you receive during your first 180 days of disability after exhausting all sick leave. If you have filed a claim for Workers' Compensation and it has been denied, Standard Insurance Company will consider your claim for short-term disability benefits.

If your Workers' Compensation claim has been approved and you believe you will be disabled for more than 180 days (six months), you can file a claim for long-term disability benefits with Standard Insurance Company. Long-term disability benefits are the benefits you receive after you've exhausted all sick leave and been disabled for 180 days.

All disability claims must be approved by Standard Insurance Company before benefits are paid.

6. I have disability benefits through another policy. How will these benefits affect my disability benefits through Standard?

For disability coverage, benefits may be reduced by any benefits you receive from other sources, like Workers' Compensation, Social Security, LACERS disability or another group plan – including the LA City Club plan. If you’re receiving other group disability benefits – for instance, from the LA City Club plan – and you have supplemental disability coverage, those other benefits plus your Flex supplemental disability benefits cannot be more than the highest benefit percentage provided by either plan. For example, if you receive 50% of your predisability earnings from Standard and 60% of your predisability earnings from another group insurance plan, you will receive a total of 60% between both plans.
7. When do my benefits begin?

Short-term disability benefits begin when 100% and 75% sick leave is completely used and you apply for benefits and are approved. Long-term disability benefits begin after you have exhausted all of your 100% and 75% sick leave and been disabled for an additional 180 days – and have applied for benefits and been approved. If you do not have sick leave that you can use, then there is no waiting period for short-term disability benefits and a 180 day waiting period for long-term disability benefits.

8. Do disability benefits automatically begin when I exhaust my 100% and 75% sick leave?

No, you must file a claim. If you have a disabling condition that may use up your sick time, you should contact the Employee Benefits Division at 213-978-1655 to file a claim. Generally, you’ll receive a claim package with forms to be completed by you, your doctor and the City – plus an authorization form allowing Standard Insurance Company to contact your doctor for more information. Once Standard receives your completed forms, it takes about one week to review the claim. Approval may take longer if more information is needed.

9. How often will I receive checks?

Short-term disability benefits are paid on a weekly basis. Benefit checks are mailed on Wednesdays for payment for the previous Monday through Sunday. Long-term disability benefits are paid on a monthly basis, at the end of the benefit month. Your disability date and benefit waiting period will determine your benefit month. For long-term disability benefits, you also have the option of having your benefit payments direct deposited into your bank account or transferred to a SecureCard, which is similar to a debit card, provided by The Standard and US Bank. Contact the benefits analyst at The Standard who is administering your claim for details on these options.

10. How is my pay determined for disability benefits?

Your pay is your annual base pay, based on your pay as of September 1 of the previous year and does not include overtime and bonuses. If your pay changes during the year, your disability insurance amount will not change unless you have a change in job class or pay grade before you become disabled.

11. Can I use my vacation time while I’m on disability?

Yes. If you use vacation time, you will continue to receive a City paycheck and your Flex benefits will continue.

12. If I am on a Family Leave, how will that work with my disability benefits?

If you are on a Family Leave and qualify for disability benefits, you may receive disability benefits during your leave. In this case, you may be eligible for City subsidies for your health and dental coverage during your Family Leave and you would be responsible for paying the amount that’s normally deducted from your paycheck. If you have less than 12 months of service with the City, see your MOU’s Benefits Section for important information about Family Leave.
13. What happens to my benefits if I’m disabled?

If you are out on an approved disability, your Flex disability coverage will continue and you will not have to pay the cost of that coverage. If you are on an approved disability beginning January 1, 2006 or later, the Benefit Protection Plan (BPP) – administered by the Employee Benefits Division – allows you to continue the Flex health, dental and basic life insurance you had as an active employee for up to two years of disability. While you are covered by the BPP, the City subsidy continues, so you pay only the coverage cost you paid as an active employee. For other Flex benefits not included in the BPP, you can continue coverage for up to two years by paying the full cost of coverage with after-tax dollars just like someone in non-pay status. You are no longer eligible for the BPP if you leave City service (e.g. service retirement, disability retirement, termination).


You don’t have to enroll in the Benefit Protection Plan (BPP). You will automatically be eligible if you have an approved disability beginning January 1, 2006 or later.

Under the BPP, you can continue the Flex health, dental and basic life insurance you had as an active employee for up to two years of approved disability. While you are covered by the BPP, the City subsidy continues, so you pay only the coverage cost you paid as an active employee. Remember, if you leave City service through service retirement, disability retirement or termination of service, you are no longer eligible for BPP.

15. What is the definition of “disability”?

There are two definitions, depending on how long your disability lasts.

- For short-term disability benefits – your first 180 days of disability after exhausting all sick leave – you are disabled if you are unable to perform with reasonable continuity the material duties of your own occupation because of sickness, injury or pregnancy.
- For long-term disability benefits – the benefits you receive after you’ve exhausted all sick leave and been disabled for 180 days – you are disabled if because of sickness, injury, pregnancy or mental disorder:
  - For the first 24 months – you are unable to perform with reasonable continuity the material duties of your own occupation – or you are able to work at your own occupation, but you are unable to earn at least 80% of your pre-disability earnings.
  - After 24 months – you are unable to perform with reasonable continuity the material duties of any gainful occupation for which you’re reasonably fitted by education, training or experience – or you are able to work in an occupation, but you are unable to earn at least 66 2/3% of your pre-disability earnings.

16. Are my disability benefits taxable?

Yes. The percentage of taxable benefits depends on what plan you are covered under (Basic or Supplemental). All benefits under the Basic plan are 100% taxable. Benefits under the Supplemental plan are less than
100% taxable and only taxable for the first 18 months that you receive benefits. The taxable percentage under the Supplemental plan will vary depending on your predisability earnings. The explanation of benefits you receive with your disability check will reflect the amount of benefits that are considered taxable.

17. Can I have taxes withheld from my disability benefits?

Yes, you may have state and/or federal income taxes withheld from your STD and LTD disability benefits. State and federal withholding from your disability benefit is voluntary. You may choose to have taxes withheld from your benefit or wait until you file your tax return to determine the amount of taxes to be paid. You will receive tax withholding forms and notice of taxable percentage upon approval of your LTD claim. If you would like taxes withheld from your STD benefit please request forms from the benefits examiner handling your claim.

18. Why do I purchase supplemental disability coverage with after-tax dollars?

Based on IRS rules, supplemental disability benefits are not taxable if coverage is purchased with after-tax dollars. Although you don’t get the pre-tax advantage when you purchase coverage, any supplemental benefits you receive will not be taxed.

19. What is the proof of good health or evidence of insurability rules for disability insurance?

If you’re currently enrolled in Flex and choosing supplemental disability coverage for the first time during annual enrollment, you will have to provide proof of good health. If you are enrolling for the first time as a new hire within the time shown on your personal fact sheet, you are not required to provide proof of good health. Also, for coverage changes during the year because of a change in family status, proof of good health is not required.

20. If I have a pre-existing condition, will that condition be covered for disability benefits?

Long-term disability benefits aren’t payable for a disability caused by a pre-existing condition until you have been enrolled for coverage for at least 12 months or you’ve been without treatment for the pre-existing condition for six months. Long-term disability benefits are the benefits you receive after you have exhausted all of your 100% and 75% sick leave and been disabled for an additional 180 days. A pre-existing condition is a mental or physical condition for which you have consulted a doctor, been treated or taken prescription drugs during the 90 days before coverage takes effect.
21. What if I return to work to a modified duty or on a part-time basis?

Based on a Flex disability plan provision called the Return to Work Incentive, you may be eligible to continue benefits while working if the health information provided by your doctor indicates that you are unable to work full-time in your own occupation. Contact your benefit analyst with Standard for more information.

22. Who should I contact if I need to file a disability claim?

Contact your membership representative. Here are phone numbers for member service representatives, depending on the first letter of your last name:

A-E  213-978-1582
F-L   213-978-1615
M-R  213-978-1640
S-Z   213-978-1584