

# WASHINGTON TEAMSTERS WELFARE TRUST

## TIME-LOSS OVERVIEW

---

### For Non-Work Related Disabilities

(a.k.a. Employee Weekly Income, Accident and Sickness Benefits or Short-Term Disability Benefits)

#### **Benefit Overview**

- Employee coverage only. Spouses and dependents are not eligible for this benefit.
- Participants must apply for the benefit by completing the Weekly Income/Disability Waiver Application.
- Eligibility is based on the date of disability due to a covered accident, sickness, or pregnancy.
- Written certification from physician of the date of disability is required. The participant will not be considered disabled unless the participant is under the regular care of a physician for the diagnosed sickness or accidental injury. The first day of disability (for the purposes of the disability qualification period) will not begin prior to the first visit to the physician.
- Disability must begin in a month for which an employee has eligibility based on an employer time-loss contribution. Lag month rule applies. For example, if an employee works in April, a time-loss contribution is made in May, employee has time-loss coverage in June. An employee will also qualify if a new disability begins following a return to work from a prior disability, if the new disability occurs during a month in which a participant has eligibility as a result of a disability waiver of contributions for the prior disability.
- Employee must be unable to perform the normal duties of his or her occupation because of a disability due to a covered accident or sickness (pregnancy and its complications are considered a covered sickness).
- Employee must not be engaged in any occupation for wage or profit (except as noted under Light-Duty Work).
- The amount of the weekly benefit will be determined by the collective bargaining agreement applicable to the employer, and the level of coverage in effect on the date the disability commences. The maximum negotiable benefit is \$400 per week.
- The benefit is payable starting the 1st day for disabilities resulting from an accident or medically necessary surgery and the 8th day if the disability is due to an illness.
- The payment will continue for as long as the participant is disabled and under the regular care of a physician, **up to a dollar maximum equal to 26-weeks** of the plan benefit amount. For example, a participant eligible under Time Loss Plan B (\$300/week) could receive up to \$7,800 (\$300 x 26).
- Successive disabilities separated by less than two weeks of full-time work are considered one disability, unless the subsequent disability is due to a different cause and does not begin before return to full-time work.
- During partial weeks of disability, payments are made at a daily rate of 1/7 of the weekly rate.

#### **Light-Duty Work**

Employees may continue to receive Time-Loss benefits if all of the following apply.

1. Return to their normal duties less than full time, or to light duty work, for their same employer, and

(over)

2. Are under the regular care of a physician, and
3. They are receiving less than their regular base (straight-time) pay prior to the disability. Time-Loss benefits plus pay for light duty or part-time normal duties may not exceed the employee's base pay prior to disability. For example, if employee's base pay (including holiday and sick leave pay) was \$800 per week and the employee is receiving \$600 per week doing light duty, then the employee will only qualify for \$200 week in time-loss benefits, even if the negotiated benefit is \$400 per week.

### **Exclusions**

- Benefits will not begin prior to the provisions specified in the collective bargaining agreement;
- Participants will not be considered disabled and eligible for a benefit unless under the regular care of a physician; and
- The benefit does not cover disability due to an accident or sickness for which coverage is available under any Workers' Compensation Act or similar law (including LEOFF Act) whether or not such coverage is elected or whether or not the claim filing deadline is met.
- Disabilities resulting from war or an act of war (declared or not).
- Benefits are not payable if an employee has returned to work and is receiving at least his or her regular base (straight-time) pay even if the work is light duty.

### **Social Security (FICA) Taxation**

Weekly Income payments paid by the Plan within the first six months are subject to Social Security (FICA) taxation. The liability for FICA taxes is divided between the participant and employer. The Plan is required by federal law to withhold the participant's share of the tax from each Weekly Income payment that is made during the six-month period. NWA sends FICA liability reports to notify applicable employers of their portion of FICA.

### **Income Taxes**

Weekly Income payments provided by the Plan are subject to federal income tax. Federal income taxes will not be withheld unless the participant requests in writing to have income tax withheld. Income tax will be withheld from Weekly Income payments payable eight or more days after receipt by the Trust administrative office of a written request to withhold. Termination of withholding or income tax will take effect with Weekly Income payable eight or more days after receipt of a written notice to terminate withholding.

### **Long-Term Disability Income**

- No longer available for negotiation as of October 1, 2008. Contracts in effect on October 1, 2008 may continue the LTD coverage only until the expiration of that contract, i.e. when the contract is renewed the LTD coverage must be dropped.
- Begins after Time-Loss Benefits are exhausted if employee remains disabled, for up to a maximum of 5 years.
- Administered by Hartford. Inquiries should be directed to 1-800-289-9140.
- See Long-Term Disability Income Plan booklet for further details.

Updated 1/1/2012

(over)

# WASHINGTON TEAMSTERS WELFARE TRUST DISABILITY WAIVER OF CONTRIBUTIONS & MEDICAL EXTENSION OVERVIEW

---

For Work-Related or Non-Work Related Disabilities

## **Overview of Waiver of Contributions**

- If a participant fails to work or be compensated for the required number of hours in a month for regular eligibility as a result of a disability, the participant may qualify for a Waiver of Contributions and continuation of coverage subject to the maximum periods below.
- The participant must become disabled in a month for which he/she has eligibility as the result of an employer contribution being made on his/her behalf. An employee will also qualify if a new disability begins following a return to work from a prior disability, if the new disability occurs during a month in which a participant has eligibility as a result of a disability waiver of contributions for the prior disability.
- The participant must submit a Weekly Income/Disability Waiver Application with proof of disability from his or her physician and employer.
- As long as the participant remains disabled, the Waiver of Contributions for Medical, Dental, and Vision Benefits may be provided for up to a maximum of 3 months per disability. The waiver period will commence on the first of the month following the eligible month of total disability, or the first of the month following the employer's last paid month of coverage if later.
- If the Employer and Union have negotiated the additional 9-month disability waiver of contributions (available for Medical benefits only) and the employee's disability commences in a month for which the employer contribution has been made, the Waiver of Contribution for Medical Benefits may be extended up to an additional 9 months per disability after the 3-month waiver period expires.
- At the conclusion of the waiver period a participant may elect COBRA and make self-payments for continuation of coverage. The combined continuation coverage under the Waiver period and COBRA may not exceed 18 months (29 months if eligible for Social Security Disability).
- As an alternative to COBRA, coverage for six months may be chosen pursuant to the Six-Month Self-Payments Option provisions.
- Successive disabilities separated by less than two weeks of full-time work will be considered one disability, unless the subsequent disability is due to a different cause and does not begin before return to full-time work.

## **Overview of Disability Medical Extension**

After termination of coverage, termination of self-payments under the Six-Month Self-Payments or COBRA Self-Payments, medical benefits are continued to a disabled employee or dependent for covered charges incurred within one year from the date eligibility terminated. This extension covers the disabled person and medical services related to the disability only. To qualify for the extension, the disability must be continuous from the date of termination to the date of treatment or service. The treatment must be covered and incurred as a result of the injury or sickness causing the disability, which was existing on the date of termination of coverage.

***Definition of Disability:*** For purpose of a Waiver of Contribution or Medical Extension, "disability" means the employee is unable to perform the normal duties of his/her occupation, is not engaged in any occupation for wage or profit, and is under the regular care of a physician because of a covered accident or illness (including pregnancy and its complications). In the case of Medical Extensions for a covered dependent, a disability is a covered accident or illness that prevents the dependent from engaging in normal activities of a person of the same age and sex.