



Welcome!

Long-Term Disability Insurance



Please call:

Toll-Free 1-877-336-1829

Access Code 1543027#


Presentation will begin shortly...



GoTo Training Attendee View

The screenshot displays the GoTo Training Viewer interface. The main window shows a PowerPoint slide titled "Health Insurance Eligibility" with the following text:

Welcome!
Health Insurance Eligibility



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SLIDE 1 OF 19

The right-hand side of the interface contains a sidebar with the following sections:

- Audio:** Toll Free Number - 1-877-336-1829 Access Code - 1543027
- Materials (2):**
 - [Eligibility Webinar PPT.pdf](#) 1.98 MB
 - [Employer Tab - ETF Website](#)
- Chat:**

Inthava Borihane (to All - Entire Audience):
1:57 PM: Thank you for joining today's webinar. We will begin shortly. For audio of today's training please call 1-877-336-1829 and enter in Access Code 1543027#.

All - Entire Audience [Send]
- Footer:** Health Insurance Eligibility Training ID: 449-140-684 **GoToTraining**

The Citrix logo is visible in the bottom left corner of the viewer window.

Asking Questions

- Chat Box
 - Always follow-up if not answered
- Verbally
 - Q/A at certain points of the presentation and at the end
- Employer Communication Center
 - Toll-Free: (877) 533-5020 opt 2, 3, 2
 - ETF Agent

Long-Term Disability Insurance (LTDI)

- Eligibility
- Application Process
- Completing the Employer Statement
- Additional Information (*benefit calculation, coordination of benefits, offsets*).
- Health Insurance Transition
- Resources

LTDI vs. 40.63 Disability Retirement

LTDI

- Insurance (no enrollment is required)
- Service Requirement: 0.33 years of service in 5 of last 7 years
- Same definition of disability as 40.63
- Can terminate or remain on LOA (per employer policies)
- No death benefits
- Administered by Aetna

40.63

- Annuity based on member's WRS account
- Service Requirement:
 - Covered by WRS on or before 10/15/1992 and continuously since then
 - 0.5 years of service in 5 of last 7 years, or total of 5 years creditable service earned in last 7 years
- Same definition of disability as LTDI
- Must terminate employment
- Death benefits determined by benefit option selected
- Administered by ETF

LTDI Eligibility

- Employee must no longer be actively working.
- Employee cannot have closed his/her WRS account by taking a separation benefit or lump sum retirement benefit.
- During the period starting 7 calendar years before the year in which disability claim is filed, the participant must have at least 0.33 of a year of creditable service in 5 of the years.
 - Exception for work-related disabilities: If the employee does not meet the service requirement, but the disability is work-related, the employee has 2 years from the last day worked to file a claim.

Eligibility (continued)

- LTDI “Special”: available to Protective category employees who have at least 15 years WRS creditable service and become disabled between the ages of 50 and 55.
 - Age at time the employee became disabled is considered to be the employee’s age on the day after the last day they worked full protective duty.
 - Employee must still meet the normal eligibility criteria for LTDI (i.e. not actively working, WRS account still intact, and service requirement met).
 - Advantage is that the disability definition is less stringent (only have to be disabled from protective occupation employment.)

Eligibility (continued)

- If also eligible for 40.63 Disability Retirement benefit, must submit the LTDI Election form to irrevocably waive rights to 40.63 (should not do so until LTDI ready to be approved)

Application Process - Employee

- Employee contacts ETF and requests disability information.
- ETF mails employee the disability packet that includes the Long-Term Disability Insurance estimate and two medical reports.
- Employee must contact AETNA directly via telephone to initiate a claim.
- Once the employee files LTDI claim with AETNA, they will be assigned an AETNA case manager who serves as point of contact.

Application Process - Employee (continued)

- Employee provides medical reports to two physicians to complete and return to ETF. One of the two physicians must be a specialist in the area of the employee's disability. To be considered a "qualifying" medical report, the physician must certify that the employee meets the definition of disabled:
 - Regular LTDI: certify that the applicant is permanently disabled from employment in any position for which the compensation will exceed \$14,009 in CY 2015 (re-indexed annually).
 - LTDI "Special": certify that the applicant is permanently disabled from protective occupation employment (law enforcement / firefighting).

Application Process - Employee (continued)

- If one physician certifies disabled and the other does not, the applicant is allowed to provide a third “tie breaker” medical report.
- The benefit will be cancelled or denied if the applicant does not have two qualifying medical reports within 1 year after filing the claim.

Application Process - Employer

- Aetna notifies employer by email that LTDI claim has been filed.
- Sends employer the Life Insurance Premium Waiver Request form (ET-5306) to submit on employee's behalf, if applicable.
 - Life Insurance Living Benefit option (if applicable)

Application Process – Employer (continued)

- Aetna sends ER statement (ET-5315) when all necessary medical reports have been received.
- If medical reports are qualifying and employer certifies that medical issues were a contributing factor to why the employee ceased working, then LTDI claim will be approved.
- Formal approval letter will not be sent until ER statement is submitted and reviewed.

Completing the ET-5315 LTDI Employer Statement

- Employee name, last 4-digits of the Social Security number and Employee home address
 - Information may have been pre-entered by Aetna.
- Date employee last rendered services
 - Enter the last day the employee physically worked.

Completing the ET-5315 LTDI Employer Statement (continued)

- List any earnings payable after the last day worked.
 - Must include lump sum payments of leave time. (Extends out Last Day Paid)
- Last Day Paid
 - Enter last day for which employee was paid.
 - This is not the date of the employee's last check.

Completing the ET-5315 LTDI Employer Statement (continued)

- Is employee expected to resume active employment?
 - Can be listed as “Unknown”.
- Were medical issues a contributing factor to why the employee ceased working?
 - Claim will be denied if Employer answers “No”.
- Do you wish to contest the employee’s LTDI claim?
 - No longer applicable as of 06/01/2015.

Completing the ET-5315 LTDI Employer Statement (continued)

- If this LTDI benefit is approved, this employee will:
 - terminate employment
 - remain on a Leave of Absence (LOA) (all earnings including sick leave must be paid out).

Note: It is up to the employer to decide whether or not an employee will be allowed to stay on an LOA.

Completing the ET-5315

LTDI Employer Statement (continued)

- **Employee Transaction Reporting-** for current and prior year (if applicable)
 - Employee Category, Action Code, Termination Action Date, Service, Earnings, Contributions
 - Lump Sum Payouts
 - Are reportable, current or prior year depends on initial Last Day Paid.
 - Impact on ICI (use ET-5901)

Termination vs. Leave of Absence

Impact on WRS Death Benefits:

If the employee terminates employment and then dies prior to taking a WRS Retirement benefit, beneficiaries would only get the Employee portion of the WRS account (typically one-half).

Impact on ability to bank sick leave to pay health insurance premiums:

- employee **must terminate** in order to bank sick leave
- employee who is staying on LOA must **exhaust** sick leave, which will extend out their “last day paid” and their LTDI effective date.

Note: If the employee received ICI payments prior to exhausting their sick leave (i.e. sick leave was “banked”), but they then decide to stay on LOA upon approval of LTDI, Aetna will recalculate the employee’s ICI “benefit begin date” based on the amount of sick leave the employee must now exhaust. The employee will need to repay any ICI benefits they were not due to them.

Termination vs. Leave of Absence (continued)

Impact on eligibility for 3 months of Employer contribution to health insurance premiums while on LOA:

- If employee will ultimately be terminated, but you want to allow him/her to utilize three months of Employer contribution to health insurance premiums:
 - indicate on Employer Statement that employee will **terminate upon LTDI approval**
 - report the pending termination date

Note: Formal LTDI approval will not occur until termination date passes.

Benefit Determination

- **Approval**
- **Denial**
 - Employee has provided at least two medical reports, but one or both are non-qualifying.
 - Employer has certified that the medical condition did not contribute to why the employee to ceased working.
 - Impact on ICI: No immediate impact
- **Cancellation**
 - Employee has not provided the medical reports necessary to make a benefit determination within one year of filing their LTDI claim; process is considered incomplete.
 - Employee voluntarily withdraws claim.
 - Impact on ICI: Estimated offset

Once a benefit determination is made, a formal letter is mailed to the employee and a copy sent to the employer.

How LTDI is Calculated

- **General Category Employee** – Benefit is 40% of employee's final average salary (FAS).
- **Protective Category Employee not covered by Social Security** – Benefit is 50% of FAS.
- Supplemental contributions of 7% of the participant's FAS are paid into their WRS account while they are receiving LTDI benefits.
 - Exceptions:
 - the participant took their WRS retirement or separation benefit
 - they are earning WRS creditable service
 - they are receiving Duty Disability benefits
 - their LTDI benefit has been suspended

Note: LTDI supplemental contributions are paid by the LTDI program, not the Employer.

Additional LTDI Info

- Approved LTDI benefit does not draw from participant's WRS account.
 - However, if participant later takes a WRS separation benefit or retirement benefit, the payment will offset the LTDI benefit. WRS benefit is the only offset to LTDI.
- LTDI usually ends at age 65; however, the benefit can be paid longer depending on the applicant's age on their LTDI effective date.
- Member will be required to apply for retirement benefit at normal retirement age. (Age 65 general, age 62 protective).
- There is no death benefit for LTDI.
- LTDI is a taxable benefit. (Except no FICA)

Post-LTDI Approval Requirements

- Annual medical recertification may be required.
- Annual earnings statement is required to ensure the participant is not exceeding the annual earnings limit (and has not returned to protective employment if approved for LTDI “Special”).

LTDI Offsets

- **WRS Monthly Retirement Annuity**
 - Taxable portion of gross monthly annuity is an offset for the life of LTDI benefit.
- **WRS Separation or Lump Sum Retirement**
 - Taxable portion of separation/lump sum payment suspends monthly LTDI benefit until equivalent amount is “recovered”.

Example:

- Lump sum payment is \$10,000
- LTDI benefit is \$1000/month
- Employee will not receive an LTDI benefit payment for 10 months

LTDI Offsets (continued)

- **Social Security Disability Insurance (SSDI)** – No effect on LTDI benefit.
- **40.63 Disability** – Not applicable (cannot have LTDI and 40.63)

LTDI Coordination with WRS Retirement/Separation

- If a member applies for a benefit from their WRS account while receiving LTDI, the ETF Disability section receives notification and counsels member regarding consequences.
 - LTDI supplemental contributions end
 - WRS benefit will offset (reduce) LTDI benefit
 - Terminal illness: WRS retirement benefit vs. inactive death benefit.
 - Integration of ICI, LTDI, WRS Retirement

Health Insurance Transition

- If employee terminates before LTDI approval, Employer must offer COBRA if employee is enrolled in health insurance.
- If employee terminates after LTDI approval, Employer can use special code “Disability Approved-Non ICI” to end health insurance. Special code automatically transitions employee policy to direct-bill annuitant policy with no lapse in coverage.

Health Insurance Transition (continued)

- Aetna notifies ETF of LTDI approval and ETF reviews employee's health insurance status.
- In all termination scenarios, ETF will contact Employer to certify sick leave in AcSL due to LTDI approval (if not already handled), even if employee has no remaining sick leave.

Health Insurance Transition (continued)

- If employee will terminate and has active coverage in effect, ETF will transition to annuitant policy with no lapse due to LTDI approval.
- As previously noted, to allow employee to utilize three months of Employer contribution to health insurance premiums, indicate that employee will **terminate upon LTDI approval**, and report the pending termination date.
 - Formal LTDI approval will not occur until termination date passes.

Health Insurance Transition (continued)

- If employee will terminate employment or has already terminated, and has let coverage lapse, ETF will offer special one-time opportunity to enroll in annuitant policy due to LTDI approval.
- If employee already terminated employment and is enrolled in COBRA, ETF will offer special one-time opportunity to enroll in annuitant policy due to LTDI approval.

Health Insurance Transition (continued)

- If employee will remain on LOA upon LTDI approval, and has active coverage, no further action by ETF.
 - Employer must certify sick leave in AcSL at eventual termination of employment to trigger transition to annuitant policy.

Health Insurance Transition (continued)

- If employee will remain on LOA, but has let coverage lapse, ETF will offer special one-time opportunity to re-enroll in health insurance with employer due to LTDL approval.
 - Letter directs employee to submit application to Employer, and Employer is sent a copy of letter.
 - If employee re-enrolls, Employer must certify sick leave in AcSL at eventual termination of employment to trigger transition to annuitant policy.

Resources

- Long-Term Disability Insurance Reference Guide (ET-5109) – online only
- Long-Term Disability Insurance Folder (ET-5108)
- Group Life Insurance After You Terminate Employment (ET-4104)
- Aetna: 1-800-960-0052 or email at ICILTDI@Aetna.com
- ETF: 1-877-533-5020 or online at etf.wi.gov