

Disability and Family Leaves

- Authority** This Guide Memo was approved by the Vice President of Human Resources.
- Applicability** The policy applies to regular Stanford University employees not covered by collective bargaining agreements, to regular Academic Staff - Research, and to regular Academic Staff - Libraries. (The term "regular employee" is defined in Guide Memo 23.1, Definitions, http://adminguide.stanford.edu/23_1.pdf.) For policies applicable to employees covered by collective bargaining agreements, refer to the applicable agreement: the Agreement between Stanford University and United Stanford Workers, Local 715, SEIU, AFL-CIO, <http://hrweb.stanford.edu/information/usw.html>, or the Agreement between Stanford University and the Stanford Deputy Sheriffs' Association. Note that procedures for SLAC employees may vary. Faculty may consult the Faculty Handbook, <http://facultyhandbook.stanford.edu/ch3.html#shorttermandlongtermdisability>. See information about each disability plan for specific details about eligibility for that plan.

Summary This Guide Memo describes disability and other disability-type leaves, and the coordination of these types of leave with University benefit plans. Section headings are:

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1. OVERVIEW
2. AUGMENTING DISABILITY PAYMENTS
3. WORKERS' COMPENSATION
4. VOLUNTARY DISABILITY INSURANCE (VDI)/SHORT TERM DISABILITY(SDI)
5. LONG TERM DISABILITY (LTD)
6. FAMILY AND MEDICAL LEAVES
7. PREGNANCY DISABILITY LEAVE
8. LENGTH OF LEAVE
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1. OVERVIEW

Eligible University employees can participate in a variety of disability benefit and family leave plans. Policies are described below. Consult your local Human Resources Office and Stanford Benefits at <http://benefits.stanford.edu/> or 650/736-2985. Important information regarding the scope and use of these disability benefit plans is included in the relevant plan brochures available from Stanford Benefits.

a. Specific Process for a disability incurred after January 1, 2008:

- (1) The employee reports the absence (or planned absence) to his/her immediate supervisor.
- (2) The employee calls Liberty Mutual's toll-free number, (800) 896-9375, or uses www.mylibertyclaim.com to initiate a claim. Liberty Mutual will inform the employee if there are any forms to submit.
- (3) If the employee does not call Liberty Mutual, it is the department's responsibility to notify Liberty Mutual.
- (4) Continue steps per general process for all disabilities, following in section 1.c. below.

b. Specific Process for a disability incurred after January 1, 2005, but before December 31, 2007:

- (1) The employee reports the absence to his/her immediate supervisor.
- (2) The employee calls Unum's toll-free number, (866) 705-7811, to initiate a claim. Unum will inform the employee about the appropriate forms to submit.
- (3) If the employee does not call Unum, it is the department's responsibility to notify Unum.
- (4) Continue steps per general process for all disabilities, following in section 1.c. below.

c. General Process for all disabilities:

- (1) **Timeliness** – Departments should urge employees to file claims for disability plan benefits as soon as possible. For example, an employee who is to be hospitalized on a predetermined date should contact either Liberty Mutual or Unum (depending on date of disability, per sections 1.a. and 1.b. above) before entering the hospital. In addition, the employee must submit the signed Authorization card to his/her physician's office as soon as possible. No disability benefits can be paid until Liberty Mutual or Unum has received the completed physician's form with appropriate verification of the disability. If not hospitalized, the employee still needs to report the absence to Liberty Mutual or Unum, and his/her supervisor.
- (2) **Workers' Compensation** – When the employee's disability is, or may be, work-connected, the department should report the circumstances to the Risk Management Office within 24 hours of the employee's injury. See section 3, Workers' Compensation, below. SLAC employees should refer to <http://www-group.slac.stanford.edu/hr/wc/> for the relevant reporting requirements.
- (3) The department notifies its local Disability Leave HR Contact
- (4) **The Disability Leave HR Contact** – The local Disability Leave HR Contact notifies and coordinates with Disability and Leave Services (DLS) in Human Resources. The local Disability Leave HR Contact works with the employee, his/her supervisor and DLS to ensure that information is communicated in a timely manner.
- (5) **DLS** – DLS updates the employee's Aress/PeopleSoft record and works with Stanford's benefits vendors and the local Disability Leave HR Contact. For more information see the HR Data Services website at <http://hrdata.stanford.edu>

- (6) **Supervisor's Ongoing Communication** – The supervisor (or local human resources office on the supervisor's behalf) should routinely check the determination made on the employee's claim for short-term (VDI/SDI) disability benefit or Workers' Compensation benefit payments. The supervisor should arrange with the employee to be kept informed about the estimated return to work date for an employee who is absent for an extended period. If the employee is unable to advise the supervisor personally about his/her inability to return to work status, the supervisor should make other arrangements to be kept advised of the status of the employee's return to work.

2. AUGMENTING DISABILITY PAYMENTS

- a. **Augmenting Disability Payments** – Unless the employee applies to his or her department for an exception, which is approved, the University will use an employee's accrued paid time to maintain the employee's base pay during times when the employee is receiving disability benefit payments. For FTD leaves, please see section 9. Accrued Paid Time consists of: sick time, PTO for the calendar year; floating holiday; and vacation, in that order. This accrued paid time is used until the employee goes off disability, including Worker's Compensation, or until all balances are exhausted. Disability and Leave Services (DLS) administers the employee's records in the human resources management system (Acess/PeopleSoft HRMS). DLS ensures that combined income from both the disability vendor and the University does not exceed pre-disability pay. Procedures at SLAC will differ.

Thus, if the employee has Accrued Paid Time, the employee will receive disability checks from one or more of the following carriers: Liberty Mutual, Unum or Zurich North America (Zurich), and also reduced paychecks from the University while on disability until the employee's Accrued Paid Time has been exhausted. Once the accrued time is exhausted, the employee will only receive disability checks from the disability vendor for the duration of the approved leave.

- b. **Overpayment** – If an employee has been overpaid, the employee shall reimburse the University for the overpayment either by direct payment or adjustment of his or her current and future accrued time balance.

3. WORKERS' COMPENSATION

- a. **Introduction** – The purpose of this coverage is to provide partial income continuation during absences resulting from work-connected injuries or illnesses, and payment of necessary medical, surgical, and hospital services for such injuries and illnesses. The University pays the full cost of Workers' Compensation coverage.

Workers' Compensation payments are a nontaxable benefit paid directly to the employee by a third party administrator, Zurich.

- b. **Eligibility** – All employees of the University, including student employees, staff, and faculty, are covered by Workers' Compensation. Work-connected disability provisions are applicable to temporary, student and casual employees; however, the charging (or not charging) of vacation and/or sick time is not applicable in the case of these employees.
- c. **Reporting and Recording Work Injuries and Related Absences From Work** – Departments have additional requirements for reporting all work-connected injuries and illnesses. See Guide Memo 25.6, Accident and Incident Reporting, http://adminguide.stanford.edu/25_6.pdf.

- d. **Payments** – The Workers' Compensation vendor Zurich normally pays benefits from the fourth day of the disability period or the first day of hospitalization, whichever occurs first. If the employee is out of work more than 14 days (need not be consecutive) with a doctor's authorization, the three-day waiting period is waived and retroactive payments will be made so that payment starts with the first day of disability.

For Workers' Compensation, Stanford charges up to the initial five full work days of absence (days need not be consecutive) of an accepted claim to work-connected disability paid leave. The University will augment the Workers' Compensation benefit with salary during this period and an employee's sick time or vacation are not charged for these days of absence.

By state law an employee may not receive both Workers' Compensation benefits and full pay. Therefore, employees are required to reimburse the University for any Workers' Compensation benefits paid for the first five days including any associated holidays, because the University has already paid the employee for the time. For part-time employees, the full day is prorated based on the employee's normal work schedule.

- e. **Delayed Claims** – If acceptance of a claim is delayed, the initial five full days of absence (need not be consecutive) are charged to accumulated sick time and the claim is handled as a short-term non-work related disability. If accumulated sick time is exhausted, the time is charged to accrued PTO, floating holiday and vacation, in that order; if the employee does not have enough accrued time, the remaining hours are unpaid. If the claim is then accepted under Workers' Compensation, any sick, PTO, floating holiday, and /or vacation taken during the first five days will be restored.
- f. **Augmenting Workers' Compensation Payments** – Employees may receive both paid leave and disability plan benefits concurrently, not to exceed the employee's base pay. After the initial five work days of disability, accumulated sick, PTO, floating holiday and vacation time will be used, in that order, to supplement Workers' Compensation benefits. Thus the employee continues to receive income equivalent to full pay.
- g. **Role of Disability and Leave Services** – Disability and Leave Services (DLS) updates Axa/PeopleSoft HRMS records each pay period for all employees on absences due to work-connected disability. DLS makes certain that combined income from disability payments and Stanford does not exceed pre-disability pay and keeps accurate records of leave time used.
- h. **More Information** – Details regarding claims procedures, accident reports, amounts of benefits and related matters may be obtained from the Risk Management Office, 650/723-7400, <http://www.stanford.edu/dept/Risk-Management/docs/workcompben.shtml>. Also, Guide Memo 25.6, Accident and Incident Reporting, http://adminguide.stanford.edu/25_6.pdf, has additional information about Workers' Compensation. SLAC employees should refer to <http://www-group.slac.stanford.edu/hr/wc/>.

4. VOLUNTARY DISABILITY INSURANCE/SHORT TERM DISABILITY

- a. **VDI/SDI Plans** – The University's VDI plan is state-approved to take the place of SDI by providing benefits that are better than those of the state's plan. The VDI plan provides partial income continuation for periods of disability of up to 52 weeks or a maximum dollar amount. This plan is described in the Statement of Coverage given to all new employees and employees going on short term, non-work related disability. Information on both Stanford's VDI and SDI plan is available on request from Stanford Benefits at <http://benefits.stanford.edu> or 650/736-2985, press option 9. For information on SDI, there is a link to the EDD website on the Stanford Benefits website at <http://benefits.stanford.edu>.
- b. **Eligibility** – Faculty and staff based in California are covered for short-term disabilities by either the University's voluntary disability insurance plan (VDI) (or State Disability Insurance (SDI) if the employee opted out of VDI). Non-California employees are covered under a separate 13-week short-term disability plan.
- c. **Benefit Waiting Period** – For disabilities commencing prior to January 1, 2009, disability plan benefit payments commence with the first day of disability when hospitalized or the eighth day of disability when the employee is not hospitalized. If the employee is out more than 14 days with a doctor's authorization, the waiting period is waived.

For disabilities commencing on or after January 1, 2009, please refer to the Voluntary Disability Insurance Statement of Coverage found on the Benefits website (<http://benefits.stanford.edu>)

- d. **Taxability** – Short-term disability (VDI/SDI) payments are nontaxable benefits. These nontaxable benefits are paid directly to the employee by Liberty Mutual or Unum (depending on the date of disability per sections 1.a. and 1.b above).

5. LONG TERM DISABILITY (LTD)

- a. **Introduction** – This plan provides partial income continuation during longer periods of disability. LTD benefits could start after a disability period of 90 consecutive days. After a disability period of 15 months, the plan's benefits are more restricted because a more stringent definition of "disability" is used.
- b. **Eligibility** – Employees whose approved disability continues past 90 consecutive days may apply for Long-Term Disability. The disability vendor provides the employee with the appropriate information when the employee's disability period approaches 90 days.
- c. **Taxability** – Long term disability benefits are taxable for federal and state, non taxable for FICA.
- d. **More Information** – The Summary Plan Description for the "Long Term Disability Plan" provides information about coverage, definition of disability, and benefits. It is available on the Stanford Benefits website at <http://benefits.stanford.edu>.

6. FAMILY AND MEDICAL LEAVES

- a. Introduction** – Family Medical Leave is leave authorized by the federal Family and Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA). Certain leaves for family of members of the armed forces are outlined in Admin Guide Memo 22.17 (http://adminguide.stanford.edu/22_17.pdf). In most cases, FMLA and CFRA run concurrently with each other and with Short-Term Disability Leave, including leave due to work-related illness or injury. Eligible employees are assured up to 12 weeks unpaid leave during any 12-month period; the 12-month period begins January 1 of each calendar year. "Assured" means the department cannot refuse the leave when any one of the following situations is appropriately verified:
- The birth of a child or the placement of a child with the employee for adoption or foster care.

Limitations – Leave for birth or placement of a child for adoption or foster care should generally be taken in blocks of time (two weeks minimum) and must be concluded within the first twelve months after the birth or placement.
 - The serious health condition of a spouse, same-sex domestic partner, parent or child which requires the employee's absence from work to care for the ill family member.

Definition of "Serious Health Condition" – A serious health condition is an illness, injury, impairment, or physical or mental condition that involves (1) inpatient care in a hospital, hospice, or residential care facility (2) a period of incapacity requiring an absence of greater than three days, or (3) continuing treatment or supervision by a health care provider.
 - A serious health condition that makes the employee unable to perform his or her job.
- b. Eligibility** – Employees working in the U.S who have been employed by Stanford for at least a year and have actually worked at least 1,250 hours (paid time off, paid leave and unpaid leave not included) during the 12 months prior to the start of the requested leave are eligible.
- c. Notification** – Employees are expected to provide 30 days advance notice when the need for leave is foreseeable (i.e., anticipated date of birth, adoption or planned medical treatment). When advance notice is not possible, employees should give as much advance notice as is feasible. If advance notice is not provided when the employee had sufficient prior knowledge of the need for leave, the department may deny leave until 30 days have elapsed. Such denial should be made only when operationally necessary, and always in consultation with the local Human Resources office. Employees are required to give a minimum of two (2) days notice if the return to work is to be later or earlier than the expected return date.
- d. Medical Certification** – The employee must call Liberty Mutual to request FML/CFRA leave. Liberty Mutual will work with the employee to obtain certification from a health care provider that the employee, his/her child, parent, spouse, or same-sex domestic partner in fact has a serious health condition, the condition's expected duration, and the need for the employee to attend to the family member. The employee must provide certification within 15 days to Liberty Mutual. Certification is also required if an extension of leave is requested. The department may also require a medical release to return to work.

7. PREGNANCY DISABILITY LEAVE

Pregnancy and Childbirth – A regular employee is also assured of disability leave without pay so that the total period of absence with and without pay may be as long as four months when a verified disability exists.

California law currently provides eligible employees up to 4 months off for pregnancy disability leave (PDL). The first three months of PDL run concurrently with the employee's federal FMLA entitlement. Following PDL, the employee may be eligible to use California Family Rights Act (CFRA) leave.

Verified pregnancy disability leave does not count against an employee's California Family Rights Act (CFRA) leave entitlement unless the employee has exhausted the maximum pregnancy disability leave permitted by law.

8. LENGTH OF LEAVE

a. **Maximum Duration** – The maximum duration that a regular employee is eligible to be on an approved medical leave of absence due to a non-work related injury or illness is up to 12 consecutive months. This is inclusive to any portion of leave certified as a Family Medical Leave, for pregnancy related or for personal reasons. The employee will be terminated if the leave is denied and will be notified in writing about this decision.

b. **Exceptions** – If a proposed leave will result in a total period of absence exceeding 12 months, prior approval is required from the local Human Resources Office and in concurrence with the Vice President of Human Resources (or his/her designee) or the Director of Human Resources at SLAC. Any exception to this policy is to be submitted in writing to the local Human Resources Office.

9. FAMILY TEMPORARY DISABILITY WAGE REPLACEMENT BENEFIT

- a. **Introduction** – This California state program provides partial income replacement during absences from work to care for seriously ill family members or to bond with a new child.
- b. **Eligibility** – Faculty and staff based in California contribute to a Family Temporary Disability Insurance Benefit (FTD) according to state law as part of the VDI deduction.
- c. **Vacation usage** - employees must take two weeks of earned but unused vacation leave prior to receiving FTD insurance benefits. One of these vacation weeks can be used during the seven day waiting period. If an employee does not have two weeks accrued vacation time, vacation time will be used to the nearest full day increment up to two week requirement. If less than one week of vacation is available, the remaining portion of the waiting period may be without pay.

- d. **Augmenting FTD Payments** — Unless the employee applies to his or her department for an exception, which is approved, the University will use an employee's Accrued Paid Time to maintain the employee's base pay during times when the employee is receiving FTD benefit payments as described below:

In cases of FTD Bonding Leaves eligible Accrued Paid Time consists of: PTO for the calendar year; floating holiday; and vacation, in that order.

In cases of FTD Family Care Leaves eligible Accrued Paid Time consists of: Family Sick Leave, as restricted by the FSL policy; PTO for the calendar year; floating holiday; and vacation, in that order.

This accrued paid time is used until the employee goes off approved Family Temporary Disability Wage Replacement (FTD), or until all balances are exhausted. Disability and Leave Services (DLS) administers the employee's records in the human resources management system (Acess/PeopleSoft HRMS). DLS ensures that combined income from both the disability vendor and the University does not exceed pre-disability pay. Procedures at SLAC will differ.

Thus, if the employee has Accrued Paid Time, the employee will receive FTD benefit checks from Liberty Mutual, and a reduced paycheck from the University while on approved FTD until the employee's applicable accrued time has been exhausted. Once the applicable accrued time is exhausted, the employee will only receive the FTD benefit checks from Liberty Mutual for the duration of the approved leave.

- e. **Overpayment** — If an employee has been overpaid, the employee shall reimburse the University for the overpayment either by direct payment or adjustment of his or her current and future accrued time balance.
- f. **Taxability** — FTD is a nontaxable benefit for state and FICA, but is a taxable benefit for Federal tax purposes.
- g. **More Information** — The benefit is described at <http://benefits.stanford.edu/>. Forms are available from <http://benefits.stanford.edu/cgi-bin/resources/?cat=7&submit=Search+By+Category>.

10. BENEFITS DURING DISABILITY PERIODS

a. Health and Life Benefits

- (1) **Paid Leave** — No change in benefit deductions. Employees on paid FMLA, FTD, VDI or Workers' Compensation will have their regular benefit contributions deducted from their reduced paychecks on a before-tax basis. See below for LTD.
- (2) **Unpaid Leave** — Employees on unpaid FTD, VDI, Workers' Compensation, and all LTD (paid or unpaid) participants will have the same University benefit contributions as when actively employed. They will be billed by Vita Administration Company for the employee portion of the costs on an after-tax basis on the 7th and 22nd of each month.
- (3) **LTD Wage Loss** - There is no change in benefit contributions as a result of LTD status. Premiums will be deducted from the employee's reduced paycheck on a pre-tax basis as a result of the employee returning to work part-time.

b. Retirement Plan

- (1) **Paid Leave** – When an employee continues to receive pay for accrued sick, PTO, floating and vacation, Retirement Plan benefit accruals and/or contributions continue, subject to the provisions of the plan.
- (2) **LTD Plus Paid Leave** – Employees who supplement LTD benefits with accrued paid time (e.g., sick, vacation, PTO, floating holiday) will have that paid time counted as earnings for University retirement plans, subject to the provisions of the plan.
- (3) **Retirement Eligibility** – Time on LTD does not count toward official Retirement eligibility.

c. Benefits in Cases of Termination

- (1) **Medical and Dental Coverage** – A regular employee whose University employment is terminated while the employee is receiving benefit payments from a short-term disability plan or Workers' Compensation plan may continue medical and dental coverages at the employee's expense through COBRA for 18 months or until LTD is approved. If LTD is approved, the employee may contact Stanford Benefits, <http://benefits.stanford.edu/> for reinstatement of medical and life insurance plans.
- (2) **Life Insurance** – Life insurance portability or conversion to an individual plan is available. The employee should contact Stanford Benefits at the time of termination for the appropriate forms.

11. FOR MORE INFORMATION

Consult with your local Human Resources Office, http://hrweb.stanford.edu/HRM_HRA%20Phone%20Lists.pdf and Benefits at <http://benefits.stanford.edu/> for more information.

General questions about State Disability Insurance (SDI) and Workers' Compensation should be referred to the appropriate government office.