

| DISABILITY LEAVE AND SALARY CONTINUATION POLICY | |
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| Policy Number: 2024-001 | Policy Issued: TBD |
| Policy Revision Dates: N/A | |
| Policy Effective Date: 07/01/2024 | Policy Approved by: Board of Directors |

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2 **Purpose:** The policy is intended to provide information to ensure consistent practice regarding
3 income replacement and salary continuation while on a leave of absence.

4 **Scope:** This policy applies to all employees who are eligible to receive income replacement benefits
5 through a SERC Short-Term Disability (STD) Plan or Long-Term Disability (LTD) Plan or CT Paid
6 Leave. Employees who have been employed with SERC for a minimum of four years may also be
7 entitled to salary continuation benefits.

8 **Policy Statement:** Employees requesting income replacement while on disability or other leave of
9 absence must apply for and complete the claims process through a third-party administrator.
10 Approval granted under a SERC Short-Term Disability (STD) Plan, a SERC Long-Term Disability
11 (LTD) Plan, or the CT Paid Leave Authority Claims Administrator must be provided to Human
12 Resources in order to determine the employee's eligibility to receive salary continuation.

13 **Policy:** Full-time employees who meet eligibility requirements and who require a leave of absence
14 from work may be eligible for income replacement and salary continuation while on leave. Eligible
15 leave of absence reasons may include the need to:

- 16 ● Receive treatment for or recover from their own serious health condition;
- 17 ● Care for a family member who has a serious health condition;
- 18 ● Bond with their new-born child or child who has joined their family through
19 adoption or foster care;
- 20 ● Care for a parent, spouse, child, or next of kin who was injured in the line of duty on
21 active duty in the military;
- 22 ● Address specific exigent circumstances associated with the deployment of a parent,
23 spouse, or child to overseas military duty; and
- 24 ● Address specific situations associated with the fact that they are experiencing family
25 violence.

26 *See the specific plan terms for eligibility requirements.* Employees receiving workers' compensation
27 or pay under state or federal plans or private insurance policies may be ineligible for this benefit.
28 To be eligible for continued income replacement benefits, the employee must not engage in outside
29 employment and is expected to avoid activities that may delay recovery and return to work.

30 **DEFINITIONS**

HUMAN RESOURCES

31 **Leave of Absence-** An arrangement where the employee, HR Manager, and Supervisor or Executive
32 Director agree that the employee will not actively be at work for a specific period, and the employee
33 is expected to return to work at the end of that period.

34 **Short-term Disability (STD)-** a condition that affects an employee's ability to work during the
35 elimination period and thereafter because of an injury or illness that may last up to 13 weeks. The
36 employee is unable to perform the material and substantial duties of their role and is receiving care
37 from a Healthcare provider for their injury or illness.

38 **Long-Term Disability (LTD)-** A condition that affects an employee's ability to work for an
39 undefined or unspecified period of time beyond 13 weeks due to a qualifying event that initially
40 required STD leave.

41 **Elimination Period** - The period of continuous disability which must be satisfied before the
42 employee is eligible to receive benefits under the SERC Short-Term Disability (STD) Plan.

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44 **Salary Continuation-** An employer-based compensation program that provides employees with a
45 portion of their wages during a leave of absence period that also qualifies for partial income
46 replacement from a third-party administrator.

47 **Healthcare Provider** - Any provider authorized or licensed to practice who is acting within the
48 scope of their employment.

49 **Third-Party Administrator (TPA)** - A third-party vendor who performs operational services such
50 as claims processing, record keeping, and regulatory compliance activities.

51 **Family member** - A child, spouse, sibling, parent, grandparent, grandchild, or individual related by
52 blood or affinity.

53 **Relationship by Affinity** - An individual whose close association with the employee shows to be
54 the equivalent of one of the 'family member' relationships listed above regardless of biological or
55 legal relationship. This determination is situation-specific and governed by the circumstances of the
56 individuals involved. Eligibility for relationship by affinity is subject to approval through the third-
57 party administrator.

58 Examples include a friend who an employee lived with during formative years, a neighbor to whom
59 the employee has provided unpaid caregiving assistance, an extended family member (aunt or
60 uncle to whom the employee provided unpaid care), a parent-like relationship with a child of a
61 former partner who lived with the employee for several years and maintains a relationship, an
62 unmarried significant other with whom the employee maintains a familial, spouse-like relationship
63 despite the lack of a legal relationship and a long-term companion with whom the employee has
64 lived for several years, sharing financial responsibilities of the household and common welfare
65 despite not sharing a romantic, legal, or a blood relationship.

66 **ELIGIBILITY**

67 **Short-Term Disability Benefits**

68 All active full-time employees who work at least 30 hours per week, have completed ninety days of
69 continuous employment, and are unable to work due to illness, pregnancy, or injury are eligible.
70 The employee must use accrued time off, including vacation, personal, or sick days, during the
71 initial elimination period under the SERC Short-Term Disability (STD) Plan. In the event that the
72 employee has exhausted all accrued time, the elimination period will be unpaid. Employees
73 receiving workers' compensation or pay under state or federal plans or private insurance policies
74 may be ineligible for this benefit. To be eligible for continued disability benefits, the employee must
75 not engage in outside employment and is expected to avoid activities that may delay recovery and
76 return to work. Benefits are subject to approval by SERC's third-party claims administrator. All
77 appeals must be made to the applicable claims administrator. SERC cannot override the decision
78 made by a third-party claims administrator but may discuss administrative personal leave options
79 with the employee.

80 1. The benefit amount.

81 The Short-Term Disability Benefits is 70% of weekly earnings, with a
82 maximum of \$1900 per week (minimum weekly benefit payment is \$50).
83 STD requires a seven-day elimination period where calculation for benefits
84 begins on the eighth day.

85 2. Benefit premiums.

86 STD is an employer-sponsored benefit, therefore, the premium will be paid
87 by SERC for all employees who have completed 90 calendar days of
88 employment.

89 **Long-Term Disability Benefits**

90 Full-time employees experiencing a condition that affects their ability to work for an undefined or
91 unspecified period of time beyond 12 weeks following a qualifying event that initially required STD
92 leave are eligible for long-term disability benefits. Employees receiving workers' compensation or
93 disability pay under state, or federal plans or private insurance policies may be ineligible for this
94 benefit. To be eligible for continued disability benefits, the employee must not engage in outside
95 employment and is expected to avoid activities that may delay recovery and return to work.
96 Benefits are subject to approval by SERC's third-party claims administrator. All appeals must be
97 made to the applicable claims administrator. SERC cannot override the decision made by a third-
98 party claims administrator but may discuss administrative personal leave options with the
99 employee.

100 1. The benefit amount.

101
102 The Long-Term Disability Benefit is 60% of monthly earnings, with a
103 maximum monthly benefit of \$7000 per month. At no time will an
104 employee's Monthly Benefit Payment be less than \$100 per month or 10% of
105 the Gross Monthly Benefit amount, whichever is greater, unless otherwise
106 provided under the terms and conditions of the Policy.

107
108 2. Benefit premiums.

109
110 LTD is an employer-sponsored benefit, therefore, the premium will be paid
111 by SERC for all SERC employees who have completed 90 calendar days of
112 employment.

113
114 **CT Paid Leave Benefits**

115 CT Paid Leave is available to employees who meet the requirements for taking a leave of absence
116 from work to care for themselves or a family member.

117 1. The benefit amount.

118 Actual benefits paid through CT Paid Leave will vary depending on a variety
119 of factors. Employees are encouraged to visit www.ctpaidleave.org for
120 detailed information.

121 2. Benefit premium.

122 SERC deducts one-half of one percent (0.5%) of employees' total wages,
123 which is remitted to the CT Paid Leave Authority for contribution to a trust
124 from which benefit payments are made.

125 **Salary Continuation**

126 Employees become eligible for salary continuation benefits on the first day of the first month
127 following the employee's four-year employment anniversary. SERC will pay the difference between
128 income replacement benefits and full salary for eligible employees qualifying for income
129 replacement benefits under STD, LTD, or CT Paid Leave.

130 **PROCESS**

131 Any employee who is requesting a leave of absence for any eligible reason should communicate
132 their need to the Human Resources Manager. Human Resources will help the employee understand
133 what to expect before they apply for STD or CT Paid Leave benefits with the applicable vendor.

HUMAN RESOURCES

- 134 1. The Human Resources Manager and the employee will be required to submit documentation to
135 the applicable vendor. This will include the documentation completed by Healthcare Providers
136 and any additional forms requested to be completed by the vendor.
137
- 138 2. The third-party vendor will make a decision regarding the request. If the request for leave is
139 denied by the third-party vendor, the employee will be responsible for completing the appeal
140 process and providing Human Resources with the final determination. At SERC's discretion, an
141 administrative personal leave may be considered.
142
- 143 3. Once a leave of absence approval is received, Human Resources will also determine whether the
144 employee is eligible for salary continuation. The employee will be required to submit the award
145 letter with the compensation breakdown. For eligible employees, HR will calculate the
146 difference between the employee's salary and the amount that the employee will receive from
147 the third-party vendor.
148
- 149 4. If a leave of absence is requested to receive treatment for or recover from their own serious
150 health condition, at the end of the leave period, the employee must provide written notification
151 from a Healthcare Provider confirming their ability to return to full or restricted duty.
152 Employees will not be reinstated without providing the requested documentation.

153 Questions about this policy should be directed to the employee's supervisor or SERC's Human
154 Resources Department.

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159 Signature: _____ Date: _____

160 Dr. Agnes Quinones, Chairperson, SERC Board of Directors