## Income Protection Plan Policy

### POLICY STATEMENT

The City of Hamilton Income Protection Plan Policy is designed to provide employees with an income if he/she cannot perform his/her normal duties due to illness/non-occupational injury during both short and long term disabilities.

### PURPOSE

The purpose of this policy is to provide employees with an income if he/she cannot perform his/her normal duties due to illness/non-occupational injury during both short and long term disabilities. This Plan is not intended to duplicate or replace any worker’s compensation benefits. Provision is included under the Short Term Income Protection Plan to “top up” awards from the Workplace Safety and Insurance Board from an employee’s sick leave plan to 100 percent earnings. An employee will be paid while he/she is disabled until the earlier of:

1. the employee returns to work; or
2. the employee retires, either at the normal retirement age or opts to take early retirement; or
3. the employee exhausts his/her entitlements under either of the plans; or
4. the employee dies

### SCOPE

This policy is comprised of two parts:

1) Short Term Income Protection Plan
2) Long Term Income Protection Plan

This is a Plan description and the final details of the Long Term Income Protection Plan will be subject to acceptability of the Insurance Company.

The Employer will be responsible respectively only for the arranging of a contract to provide benefits, but the final terms of the Plan will be found in the Master Contract as the governing document.


### DEFINITIONS

**Employee**

The following terms referenced in this Policy are defined as:

An employee is one who is either full-time non-union or unionized and covered by a contractual union agreement which includes the Income Protection Plan and who has completed his/her probationary
New Employee
A new employee is one who has not completed his/her probationary period.

Short Term Disability
This is defined as a period of disability resulting from illness/non-occupational injury as determined by a qualified medical practitioner, which prevents an employee from attending his/her regular work and which extends for a period of not more than 26 weeks.

Pay
For purposes of this Plan, a week’s pay for hourly paid employees shall be the basic hours worked per week multiplied by the employee’s standard rate per hour paid on a weekly basis but shall not include shift premium, overtime or other increments.

Total Disability
Total disability means that you are unable, because of sickness or non-occupational injury, to perform the essential duties of your regular occupation. This definition applies for the first 30 months of absence, 6 months STD and 24 months LTD. After this time, the inability to perform any occupation for which you are reasonably fitted by training, education or experience will constitute total disability. It is specifically understood that LTD benefits are not payable in respect of any illness or injury for which WSIB benefits are payable.

It is not required that you be confined to home, but you must be under the regular care of a physician.

TERMS & CONDITIONS
Short Term Income Protection Plan
Short term coverage will apply to disabilities lasting up to 26 weeks and pay will be continued in accordance with the following:

From date of eligibility until completion of one year of service, non-union employees shall be entitled to short term income protection of 26 weeks at 66 2/3% of pay.

Non-union employees shall be entitled to weeks of short term income protection at 100% pay based on the following schedule:

(i) Employees who have completed one full year of services shall have 10 days of short-term income protection at 100% pay;

(ii) Employees who have completed two years of service shall have 15 days of short-term income protections at 100% of pay;
(iii) Employees who have completed three years of service shall have 20 days of short-term income protection at 100% of pay;

(iv) Employees who have completed four years of service shall have 25 days of short-term income protection at 100% of pay;

(v) Employees who have completed five years of service shall have 30 days of short-term income protection at 100% of pay;

(vi) Employees who have completed six years of service shall have 35 days of short-term income protection at 100% of pay;

(vii) Employees who have completed twenty-five years of service or more shall have twenty-six weeks of short-term income protection at 100% of pay.

Absences extending for a time frame beyond that for which accrued 100% days are available are covered at 66 2/3% of pay.

Employees who currently have a higher number of weeks at 100% than the number of weeks noted above shall have their entitlement frozen at the higher level.

An employee, who is not present at work on becoming eligible, will commence coverage following his/her return to work.

Where available, sick leave credits may be used to extend the payment of 100% weeks.

Payments from the previous noted schedule will be made on the following basis with the provision that any absence due to illness/non-occupational injury will constitute an occasion:

a) from the first day of absence for the first three occasions of absence in a calendar year, and

b) from the second day of the fourth absence in the calendar year, and

  c) from the third day of the fifth absence in the calendar year, and

  d) from the fourth day of the sixth and subsequent absences in a calendar year

Where available, sick leave credits may be used to replace the unpaid days as provided for in (b), (c) or (d) above.

On the consent of the Employer, employees shall be given an opportunity to utilize existing lieu time or vacation credits to
replace the unpaid days as provided for in (b), (c) or (d) above.

When the absence is supported with a medical certificate such consent will not be unreasonably withheld.

When an employee can demonstrate to the employer that he/she can only attend his/her physician as part of regular ongoing treatments during the day, the absences shall collectively constitute one occasion for the purposes of this Plan. In order for this to occur, the employee must provide the employer with documentation from his/her physician at the commencement of the ongoing treatment program, outlining the anticipated schedule for treatments, including dates when the series will likely commence and cease.

An employee shall be provided up to two one-half day absences for doctor appointments in any calendar years. Each on these one-half day absences shall not constitute an occasion for the purpose of this plan.

Payments will be made for a maximum of 26 weeks during any one continuous period of disability.

a) Successive absences due to the same or a related cause will be considered as one continuous period of disability unless separated by return to full regular duties for a period of three months.

b) A disability due to a different cause will be considered a new period after a return to full regular duties for one month.

Short term disability payments will be offset by any disability benefits payable to the employee form the Canada Pension Plan.

An employee who is engaged in outside employment apart from his/her employment with the City is not entitled to any benefits under the provisions of the short term income protection plan for any occupational injury or sickness sustained during such periods of outside employment.

The Employer shall continue to pay fringe benefit costs including Dental, Extended Health Care, Life Insurance, Accidental Death and Dismemberment (AD&D), and any other applicable benefits for as long as the employee remains qualified to receive short term or long term benefits or his/her 65th birthday, whichever comes first. Where required, payroll deductions for pension purposes will continue to be made from disability pay.
| Regulations | An employee shall on the first day of illness/non-occupational injury, report or cause to report such illness/non-occupational injury to his/her manager or supervisor.  

An employee who fails to report on the first day that he/she is absent from work due to illness/non-occupational injury shall be considered as being absent without leave, non-paid and is subject to appropriate disciplinary action up to and including termination.  

Upon receiving notice of an employee’s illness/non-occupational injury, the department head or supervisor shall, on the same day, report such illness/non-occupational injury on the Daily Absence Status Report as provided by the Human Resources Department.  

An employee whose illness/non-occupational injury extends to the sixth working day shall on or before the sixth working day, file a claim form with the Human Resources Department. The cost for completion of the form shall be the responsibility of the employee.  

Where the manager or supervisor has reason to believe that absence of the employee was not due to illness/non-occupational injury, the manager or supervisor may demand a claim form for one day of absence.  

An employee whose illness/non-occupational injury extends to 15 consecutive working days shall, on the fifteenth working day and for every subsequent fifteenth working day, file a claim form with the Human Resources Department.  

An employee failing to file a doctor’s claim form pursuant to these regulations shall be considered as absent without leave non-paid and is subject to appropriate disciplinary action, up to and including termination.  

The manager or supervisor is responsible for reporting to the Human Resources Department all cases of illness/non-occupational injury, periods of lay-off, termination of service and absenteeism relative to the administration of the Income Protection Plan.  

The Human Resources Department shall:  

a) keep a record of all sick leave and accumulated credits, and  

b) notify those responsible for department payrolls, when an employee is not, or has ceased to be eligible for sick leave benefits. |
Long Term Disability Plan

On retirement or death of an employee, the Human Resources Department shall advise those responsible for department payrolls of the number of days of cumulative sick leave outstanding to the credit of an employee at the date of his/her retirement or death.

**Eligibility**
All permanent seniority employees who are members of an eligible employee group who have not attained the age of 65.

**Effective Date of Benefits**
Coverage will be effective on the date of eligibility, provided the employee is actively at work on a full time basis. If the employee is not actively at work on the date the insurance would normally commence, coverage will begin on the employee’s return to full-time work for full-time pay.

**Long Term Disability Benefit**
The long term disability insurance provides income security should you become totally disabled prior to age 65 due to a sickness or injury which totally disable you over a long period of time. The Plan provides you with coverage on and off the job.

**Monthly Benefit**
The monthly benefit is equal to 66 2/3% of your normal monthly earnings which are defined as your base rate times the regular hours per week and excludes overtime pay. This amount is reduced by an income payable to you as a result of disability from any of the following sources:

a) sick pay from the City;
b) any other group insurance disability benefits arranged through the employer or any professional association;
c) retirement benefits from the City or a government plan;
d) governmental disability benefits;
e) vacation pay from the City;
f) Canada or Quebec pension benefits (excluding benefits for dependents and automatic adjustment due to cost of living index while receiving benefits).

**Commencement of Benefits**
The benefits commence six months from the date that disability began, which shall include the period of payment under the terms of the short term income protection plan. Proof of disability must be submitted within six months following the qualifying period.

**Benefit Period**
Following the qualifying period the employee will receive a monthly income until the earlier of:
a) attainment of age 65;
b) cessation of total disability;
c) attainment of date of retirement;
d) death.

**Definition of Total Disability**
Total disability means that you are unable, because of sickness or accident, to perform the duties of your regular occupation. This definition applies for the first 24 months of payments. After this time, the inability to perform any occupation for which you are reasonably fitted by training, education or experience will constitute total disability. It is specifically understood that LTD benefits are not payable in respect of any illness for which WSIB benefits are payable.

It is not required that you be confined to home, but you must be under the regular care of a physician.

**Recurrent Disabilities**
A recurrence of total disability due to the same or related causes will be treated as the same disability unless the employee returned to full-time work for more than:

a) one month if satisfying the qualifying period; or
b) six months if receiving the disability benefits.

**Rehabilitative Employment**
If during the first 24 months of payments the employee is able to engage in some work and earn some income, the Plan will continue to pay the employee on a reduced basis. The benefit amount will be reduced by 50 percent of the wages or earnings which the employee receives from such employment during this 24 month period.

Your income from all sources during this period of rehabilitative employment must not exceed 90% of your basic wages from your normal occupation immediately prior to your total disability.

**Waiver of Premium**
Premiums falling due within a period when benefits are payable are waived.

**Termination of Employment**
Long term disability benefits terminate when an employee's employment is terminated. If an employee is disabled at the time of termination, the employee may still be eligible for long term disability benefits in accordance with the provisions of the Plan.
Exceptions & Limitations
Benefits are not payable for the following:

a) a disability where you are not under continuing medical supervision and treatment;

b) a disability caused by intentionally self-inflicted injuries or illness;

c) a disability resulting from insurrection, war, service in the armed forces of any country, or participation in a riot;

d) alcoholism, drug addiction or any mental condition connected therewith, unless the insured employee is under active treatment in, or certified as being actively supervised by a rehabilitation centre or provincially designated institution;

e) if the employee’s disability is due to a nervous, mental, psychological or emotional disorder, payments will not be made unless the employees is under the care of a registered specialist in psychiatry, or a doctor approved by a registered specialist in psychiatry.

Cost of the Plan
The cost of the plan will be paid in full by the City.

Taxability of Benefits
Because the cost of the plan is paid by the City, all benefit payments from the Plan during a period of disability are considered as taxable income.

Claims
To make a long term disability claim, an employee must obtain a claim form from the Human Resources Department, have his/her doctor complete the form and return it to the Human Resources Department.

In order to be eligible for payment, claims must be submitted no later than six months following the qualifying period.

Sick Leave Credits
An employee may use any or all of his/her sick leave credits at current value to supplement benefits of the short term income protection plan.

An employee may elect to supplement a Workplace Safety and Insurance Board award up to 100% of regular earnings. The number of credits to be deducted from the Cumulative Sick Leave Allowance balance shall be pro-rated equal to the ratio of supplementary payments to regular earnings.
### RESPONSIBILITIES

The following positions and/or departments are responsible for fulfilling the responsibilities detailed in this Policy as follows:

**Short Term Income Protection Plan**

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### HISTORY

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