



# Human Resources Department

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## INCOME CONTINUATION INSURANCE

- Type of Insurance:** Wage insurance for a covered employee unable to work due to non-work disability that may provide short-term or long-term disability benefits.
- Eligibility:** New employee within 31 days of hire must accept or waive coverage (submit form to Human Resources). Coverage begins on the date the form is received by Human Resources.
- Enrollment after initial eligibility: Employee may apply by providing application – Evidence of Insurability (underwriting process) to the insurer (The Hartford). Contact Human Resources to apply.
- Benefit:** Covers non-work injury and illness. Provides short-term (up to three years) and long-term (beyond three years) benefits, up to and including retirement (as long as disability exists), but offset by other payments (e.g. Social Security Disability Insurance, Retirement benefits)
- Benefits are payable when a covered employee:
- Becomes disabled
  - Remains disabled
  - Applies and submits proof of loss (provides documentation) to Hartford
- Benefits begin:
- For disability caused by injury: On the 1<sup>st</sup> day of disability after all accumulated sick leave has been exhausted
  - For disability caused by sickness: On the 8<sup>th</sup> day of disability after all accumulated sick leave has been exhausted
  - When a disability includes hospital admission or outpatient surgical procedure that requires a total disability period of 24 hours or more after surgery, benefits start on the first day of hospital confinement or on the date of outpatient surgical procedure after all accumulated sick leave has been exhausted
  - For childbirth: For most absences for childbirth, eligibility for a disability insurance benefit will begin at the date of birth and continue only through six weeks after the date of birth; benefits are payable only after all sick leave has been used. If a pregnancy-related disability begins before the date of birth or continues past six weeks after the birth, additional benefits may be payable.
- Benefit payment is weekly and is the lesser of 65% of base salary or \$1,875, reduced by other income benefits. The portion of premium payment made by the City and by the Employee determines whether the benefit is taxed: Percentage of premium paid by the Employee = Percentage of benefit not taxed. (If the Employee pays the full premium, the benefit is not taxable. If the City pays the full premium, the benefit is fully taxable).
- Premium:** Employee contribution to premium is deducted from the second paycheck of each month. Cost of the premium is calculated based on combination of employee’s base pay and employee’s use of sick leave in the preceding September – August (12 month calculation period).

Sick Leave Used	Employee Pays
0.00 – 3.00 days	0%
3.01 – 4.00 days	20%
4.01 – 5.00 days	40%
5.01 – 6.00 days	60%
6.01 – 7.00 days	80%
7.01+ days	100%

If employee’s accumulated sick leave balance is 100 days or greater at the time premium is calculated, the full premium will be paid by the City regardless of the amount of sick leave used during the 12 month calculation period.