

LUTHER COLLEGE

POLICIES AND PROCEDURES

Department:	Office of Human Resources
Subject:	Limited Disability Leave Benefits (Short-Term Disability)
Date Issued:	October 22, 2018
Updated and Reviewed By:	Human Resources – October 15, 2021
Approved By:	Senior Leadership Council – October 27, 2021

I. Policy/Procedure

The Limited Disability Leave (LDL) policy has been developed to establish a consistent and systematic means of addressing paid limited/short-term disability benefits for eligible employees of Luther College. The College self-funds the cost of providing limited disability leave coverage.

II. Purpose

The purpose of this policy is to provide income replacement benefits as specified below when an eligible employee is unable to work for a period of prolonged incapacity due to a non-work related disability.

III. Scope/Eligibility

Faculty that teach at least four 4-credit courses (or equivalent) and staff with an FTE of .75 or greater are eligible for LDL benefits, after completion of 6 months of employment. Regular employees who work less than .75 FTE and temporary employees are not eligible for limited disability leave. This policy does not apply to work-related illnesses or injuries.

In order to be eligible for LDL benefits, an employee must be absent for two or more consecutive work weeks (the Waiting Period). To the extent available, Paid Time Off (PTO) must be used for shorter periods of medical-related absences, including the Waiting Period before LDL benefits can be used.

A **disability** for purposes of this policy is a serious health condition which renders the employee continuously unable to perform the essential functions of the employee's job, while under the regular care of a physician. This can include illness, non-work related injury, impairments, physical or mental conditions, and/or disabilities caused or contributed to by pregnancy, miscarriage, abortion, or childbirth.

IV. How to File for LDL Benefits

Requests for LDL benefits are made to the Office of Human Resources (HR). The employee should notify their supervisor that the employee is applying for LDL benefits, however the employee is not expected or required to provide any details about the employee's disability to the supervisor.

The employee's physician must provide written certification to HR. In most cases, HR will use the standard Family and Medical Leave Act (FMLA) forms to certify LDL leave. HR will use this certification to verify the employee's disability. The certification must include an anticipated return-to-work date. The employee must provide an updated certification if unable to return by the original anticipated date. The certification is required for an employee to qualify for benefits. An employee's failure to provide the required certification in a timely fashion may result in benefits being delayed or denied.

In order to allow coordination of LDL benefits with FMLA job-protected leave, the employee must provide adequate information to allow a determination of whether the leave would also qualify for FMLA purposes.

The employee must return to work as soon as permitted by the health care provider. The employee must keep HR informed of any changes regarding physician orders and return-to-work dates.

V. Limited Disability Leave Benefits

After the expiration of the Waiting Period, an eligible employee may receive up to 24 weeks of LDL benefits within an eighteen-month period. This period is measured on a rolling basis that looks backward to the 18-month period ending on the date an employee utilizes the LDL benefit. This practice means that each time an employee uses LDL benefits; the remaining benefit would be any balance that has not been used during the immediately preceding 18 months.

The LDL benefit is 70% of an employee's base pay.* Base pay is defined as the base rate of pay prior to the beginning of the disability. Base pay does not include overtime or any other special pay. If an employee is on LDL leave when salary increases or market adjustments occur, the increase will take generally effect when the employee returns to work.

* Employees who complete the Waiting Period may use available PTO to supplement their pay in order to receive 100% pay during the LDL benefit period. Faculty will be permitted to receive 100% of pay during the Waiting Period, plus ten consecutive work days, before being

transitioned to the LDL benefit pay rate. However, please note that using any full-pay paid time off will not extend the maximum LDL benefit of 24 weeks.

- ***Recurrence of a Disability.*** If an employee becomes unable to work again within thirty (30) days of their return to a full work schedule due to a recurrence of the same disability, the employee will begin the 70% LDL leave as of the first date of their inability to work, and will have the Waiting Period waived. If an employee becomes unable to work more than thirty (30) days after their return to a full-work schedule, or due to a different disability, the employee will need to start over. They will complete a new Two Week Waiting Period and provide a physician's certification.
- ***Intermittent Leave and Reduced Schedule.*** Generally, employees should remain on disability leave until the employee is ready to return to work and can perform the essential functions of their position, with or without a reasonable accommodation.
 - LDL benefits will only be available for intermittent medical leave if, after the exhaustion of the Waiting Period, the employee is placed on an abbreviated or reduced schedule by his/her physician due to the disability.
 - Exempt employees will be paid regular pay for days worked, and receive LDL benefit pay for full days away from work due to the disability.
 - Nonexempt employees will be paid regular pay for hours worked, and receive LDL benefit pay for hours away from work due to the disability.
 - (Note: Intermittent leave/reduced schedules must otherwise be approved through HR, in consultation with the appropriate member of cabinet.)
- ***Holidays.*** College-designated holidays that occur during LDL leave will be paid at 70% LDL pay and 30% holiday pay.
- ***Effects on FMLA.*** If the disability qualifies for coverage under the FMLA, LDL benefits will run concurrently with the leave time allotted under FMLA. This LDL benefits policy incorporates the relevant provisions of the FMLA policy.

Paid LDL benefits continue until the employee is (i) cleared to resume full-time work; or (ii) the employee exhausts the 24 weeks of LDL in a rolling eighteen-month period, whichever is sooner.

VI. Benefit Continuation During LDL Leave

Employee-paid benefits (e.g. medical, dental, supplemental life) continue during periods of LDL, as long as the required employee contributions are paid by the employee. Generally, the employee contributions will be deducted from the employee's LDL benefits pay. In the event the LDL benefit pay is insufficient to cover the employee contributions, the College will

directly invoice the employee for their portion. Failure to pay the employee portion of the costs could result in a termination of benefits.

College-paid employee benefits (e.g. life insurance, TIAA employer contributions) continue during periods of LDL.

VII. Earning PTO During LDL

Staff will not earn PTO while on LDL.

VIII. Coordination with PTO and Long-Term Disability Benefits

LDL benefits are primarily intended to provide a “bridge” benefit from PTO to long-term disability (“LTD”) coverage for employees who are unable to return to work. For this reason, the College will start the employee’s application process for LTD benefits after approximately 16 weeks of Limited Disability Leave. Luther College partners with an LTD carrier for funding and management of LTD.

IX. Miscellaneous

Nothing in this policy should be interpreted as providing a guarantee of continued employment or as providing job protection while an employee is receiving benefits under this policy.

Luther College has full discretion to make factual determinations related to coverage, eligibility, and qualification for LDL benefits, including the determination of whether the employee is disabled for purposes of benefits. The College also has full discretion to construe and interpret the terms of this policy.

The Limited Disability Leave policy may be amended, modified, or discontinued at any time in the sole discretion of the College, and as such the employee should not consider the above benefits to be guaranteed, accrued, or vested.