



EMPLOYER SPONSORED SHORT TERM AND LONG TERM DISABILITY INSURANCE

DISABILITY INSURANCE

Disability insurance is an insurance policy that pays a portion of your income in the event of a temporary or permanent disability that prevents you from performing all or most of your job duties. **Make sure you have a copy of your policy.**

SHORT TERM DISABILITY INSURANCE

Short term disability (**STD**) insurance pays a percentage of your salary if you become unable to work for a short period of time due to disability, illness, injury, or pregnancy. It is important to know how your insurance company defines “disability.” It is also important to learn how long the coverage lasts under your policy. STD insurance policies are mandatory for most employees in New York State and typically provide benefits for a short period of time (six months to one year). See also, “Temporary Disability Insurance in New York State” Fact Sheet.

LONG TERM DISABILITY INSURANCE

Long term disability (**LTD**) insurance pays a percentage of your salary if you become unable to work for a longer period of time due to disability, illness, injury, or pregnancy. LTD insurance policies typically provide benefits for a disability that is expected to last, or has lasted, for one year or longer. Again, it is important to know how your insurance company defines “disability.” Policies vary on the length of coverage, but usually long-term disability provides benefits until age 65 for physical disabilities, or as long as the disability continues. However, some policies may only cover mental disabilities for a period of up to two years.

IMPORTANCE OF READING THE FINE PRINT OF INDIVIDUAL DISABILITY POLICIES

Some important aspects of disability insurance policies include:

- What is the definition of “total disability?” Some policies require that the disabling condition results in your “total disability.” You will need to read your policy to learn what that term means.
- What is the “elimination” or “qualifying” period, the period of time between the date of the onset of the disability and the date when the policy starts paying benefits?
- Does your disability insurance policy offer residual benefits? Residual benefits are limited benefits that make up the difference of a loss of income due to a disability that limits your ability to work, but does not totally prevent you from working.
- What is the benefit period of your policy? That is, how long will your policy pay you benefits on a claim?
- What is the benefit percentage of your policy? That is, what percentage of your salary will your policy pay you?
- Are there offset requirements in your policy? Offsets are when a policy requires you to apply for other sources of disability payments, such as Social Security Disability Insurance (SSDI), which they are then permitted to deduct from the amount that they have to pay you under the plan. Some plans may also require an offset of any workers compensation payments that you receive for injuries sustained on the job.
- Does your policy have provisions excluding or limiting payments based on preexisting conditions?
- What are the policy’s periodic redeterminations of disability conditions? Some policies require periodic reassessments of continued disability and some require you to see doctors whom they contract with to provide the assessments.
- Does your policy require participation in a rehabilitation program? Some policies require you to complete a rehabilitation plan and can terminate benefits if you fail to do so.
- Does your plan provide periodic cost of living adjustments in your benefit payments?
- What are your appeal rights, if your claim is denied? All STD and LTD insurance policies come with appeal rights, but those can differ from policy to policy. Some policies have strict limitations on the time you have to file an appeal. You should check with your insurer to find out the details of how its appeal process works.

- Does your plan provide for survivor's benefits if you die while you are still eligible for benefits under your plan? Some plans provide for lump sum payments to survivors.

It is important that you carefully review any insurance documents prior to signing any agreement.

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