

Should I continue my long term disability coverage during my leave of absence?

The answer to this question deserves careful consideration.

Long term disability (LTD) coverage provides a safety net that will replace a percentage of your salary and provide pension plan protection should you be unable to work because of an illness or injury. Your OTIP LTD plan recognizes that most members are in a vulnerable financial position should they be confronted with a loss of income during a lengthy or permanent disability.

While on leave of absence, you have two options:

1. Maintain your LTD coverage by continuing to pay your contributions.
2. Discontinue your LTD coverage by ceasing your contribution payments.



Maintaining your LTD coverage

If you choose to maintain your LTD coverage and you become disabled while on leave, you are eligible to apply for LTD benefits. There will be no break in your coverage.

Example 1: Amira is diagnosed with cancer during her leave of absence. While undergoing cancer treatment, her leave of absence ends and she is unable to return to work. As Amira maintained her LTD coverage during her leave, she is eligible to apply for LTD benefits. The benefits, payable on or after the date her leave is scheduled to end, will help replace her income while she is unable to work.

Discontinuing your LTD coverage

If you become disabled while on leave, you will not be eligible for LTD benefits. Upon your return to work, your coverage will be reinstated based on your active level of earnings.

Example 2: Amira is diagnosed with cancer during her leave of absence. Amira did not maintain her LTD coverage during her leave; therefore, she is not eligible to apply for LTD benefits to help her replace her income if she is unable to return to work. If Amira returns to work after her leave of absence ends, her LTD coverage will be automatically reinstated based on her active level of earnings.

Maintaining LTD coverage while on a part-time-leave

If a member is on an employer-approved part-time leave for reasons other than medical-related, the member may maintain LTD coverage based on their full-time salary earned immediately prior to the leave for a maximum of 24 months or the number of years negotiated under the local collective agreement.