

# LUTHER COLLEGE

## POLICIES AND PROCEDURES

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Department: Office of Human Resources  
Subject: Limited Disability Leave Benefits (Short-Term Disability)  
Date Issued: October 22, 2018  
Date Revised: February 11, 2019; August 1, 2019  
Approved By: Cabinet, April 17, 2019

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### **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 sick leave should 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 in writing to the Office of Human Resources. The employee should notify his/her 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 a certification to the Office of Human Resources. Human Resources 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 the Family & Medical Leave Act ("FMLA") job-protected leave, the employee must provide adequate information to allow a determination of whether the leave would also qualify for FMLA.

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

#### **V. Limited Disability Leave Benefits**

After the expiration of the Two Week Waiting Period, an eligible employee may receive up to 24 weeks of LDL benefits within an eighteen-month period. This 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 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 Two Week Waiting Period may use available vacation or sick leave to supplement their pay in order to receive 100% pay during the LDL benefit period. Faculty and exempt staff 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 his/her 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 the Office of Human Resources, in consultation with appropriate Vice President.)
- ***Holidays.*** College-designated holidays that occur during LDL leave will be considered LDL benefits pay and not holiday pay.
- ***Effects on Family & Medical Leave Act (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 Paid Time Off During LDL**

Staff will continue to earn paid vacation time while on LDL. However, if a period of LDL extends into a new benefit period, the old vacation balance is *not* rolled over. The employee will receive their new vacation allocation when they return to full-time work. Non-exempt staff will not accrue paid sick leave while on LDL.

## **VIII. Coordination with Sick Leave and Long-Term Disability Benefits**

LDL benefits are primarily intended to provide a "bridge" benefit from paid sick leave 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 Limited Disability Leave 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.