

Interim Policy Amendment – Section 9.2 – Disability Insurance

This interim policy amendment clarifies and sets forth the policy for the use of Disability Insurance as provided for in section 9-2 subsection E of the Town's Personnel Rules and Regulations.

Current Language

The Town provides short-term and long-term disability insurance for accidents or illnesses not covered by Workers' Compensation. After an approved seven (7) calendar-day period of extended sick leave, short-term disability insurance will provide a weekly payment for a limited period of time, not to exceed 66.67% of the regular weekly pay (which includes holidays), subject to limitations, in the event of a non-occupational accident or illness, for up to (26) twenty-six weeks. The seven (7) calendar-day waiting period may be waived when the absence is due to an accident. In the event the employee does not have any paid leave time available to satisfy the approved seven (7) calendar-day period of extended sick leave provision, the employee must take the time as unpaid. If the employee continues to be totally and permanently disabled after twenty-six (26) weeks, long-term disability insurance may provide additional weekly payments.

When an employee is on short-term or long-term disability leave, s/he will not accrue leave time; however, leave time will count toward seniority. Medical insurance contributions will be made by the Town to the eligible employee's account up to fifty-two (52) weeks and the employee must continue to pay his/her share of the medical insurance premiums, either in person or through payroll deduction. Retirement contributions will not be made by the Town to the eligible employee's account while on short-term/long-term disability leave.

AMENDMENTS:

- Leave time will continue to accrue during any period of disability leave.
- The employee may supplement their short-term disability with accrued leave.
- If the employee elects to supplement their short-term disability payment with accrued leave, then any deductions required through the normal course of employment will be deducted from any earnings. If pay due to the employee from the town is not enough to cover the cost of the required deductions, the employee will be responsible for paying any required amounts owed to the town. Total compensation may not exceed 100% of the employee's base salary. Should the contract with the short-term insurance provider be amended to allow for the use of sick leave to supplement the short-term benefit, then the town will allow such use, as well.
- Short term disability payments are made directly to the employee from the short-term policy insurance company.
- Short term disability payments are considered taxable income, and the insurance company will give the employee the option to have income tax withheld from each payment.
- Employee is responsible for ensuring that insurance premiums and other required deductions are paid during the employee's absence on short-term disability. If the employee elects to supplement their short-term disability payment with accrued leave, then such payments will be deducted from any pay due from the town. If pay due the employee from the town is not enough to cover the cost of all deductions, the employee will be responsible for paying the amount owed to the town.



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