

When an employee is approved for Long Term Disability (LTD) benefits, it's essential to clarify what happens to their health and dental coverage. Will these benefits continue indefinitely? Will the employee need to contribute to the cost? It is important to have a formal Continuation of Benefits policy that clearly outlines the provisions for all employees in the event of a disability. Establishing these policies and procedures in advance ensures fair treatment for all employees who may become unable to work due to accident, injury or illness.

Which Premiums are Waived

In the event of an LTD claim, the insurer will waive the LTD premiums for the duration of the claim. The Life Insurance benefit will also remain active, and premiums may be waived if the "waiver of the life insurance premium" is approved. Coverage for all other benefits may continue as long as the premiums are paid, and any health and dental claims incurred by the LTD claimant will be included in the claims experience for rate setting purposes.

How Long Should Benefits Continue

There is no legislation or provision in a benefits contract that specifies if or how long health and dental benefits should continue once an employee is approved for LTD. Some employers maintain these benefits for as long as the employee receives LTD benefits. Others may extend them for a specific period, such as 6 months, 1 year (following WSIB guidelines), or 2 years, aligning with the 'own occupation' definition of disability standard in most contracts. Additionally, some companies extend benefits based on years of service. For example:

Up to 1 year of employment	benefits continue for 6 months
Up to 2 years of employment	benefits continue for 12 months
Up to 5 years of employment	benefits continue for 2 years
6 or more years of employment	benefits continue for 5 years

Other Considerations

1. Cost-sharing: Typically, the same cost-sharing arrangements which apply to active employees also apply to LTD claimants, though some employers may adjust the model.
2. Health and dental benefits will not extend beyond the termination of the LTD benefit, which is usually at age 65.
3. Benefits will continue as long as the contract remains in effect, premiums are paid, and the employee/employer relationship is maintained.
4. The employee must remain a full-time resident of Canada.

** This is not a legal document, and is intended solely for informational purposes.*