

"I've got an expectant mom who wants to cancel her LTD benefits while she's on maternity leave. What should I tell her?"

It is understandable as to why this question arises. An expectant mother might consider suspending the LTD coverage to save money during a financially challenging time. However, maternity leave is not an ideal time to discontinue the LTD coverage. The future is unpredictable, and unforeseen events could have lasting consequences. Maintaining coverage during this period is a crucial part of managing risk and ensuring protection when it's needed most.

The decision to maintain or suspend benefits during maternity leave is the employee's choice. If the member chooses to continue their benefits, they are responsible for any employee-paid premiums.

Key Considerations when a Plan Member Inquires about Suspending their LTD Coverage during Maternity Leave:

- * **Stopping coverage may be seen as a break in coverage.** If the plan member develops a condition that leads to an illness after returning to work, LTD benefits could be denied under the *pre-existing condition clause* in the contract.
- * **Maintaining LTD coverage provides higher income replacement.** If a plan member experiences an injury or illness during maternity leave, Employment Insurance (EI) only provides limited coverage - 55% of income for up to 26 weeks, after which the benefit ends.
- * **Relying solely on government benefits is limited.** Without LTD coverage, the member would only have access to the short-term, government-sponsored benefits. Keeping LTD coverage active, may allow the member to fulfill part of or all of the qualifying period during maternity leave, potentially making her eligible for LTD benefits when she is scheduled to return to work.
- * **Documenting the decision is essential.** Even if the plan sponsor provides this information, a member may still choose to suspend her LTD coverage. In such cases, it is crucial to document the decision in writing to confirm that she understands the potential risks.

An expectant mother already has so much to consider as she prepares for her baby's arrival. Disability coverage - and the consequences of canceling it - should not add to her worries.

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