Section 5 - General Information on Short Term Disability (STD), Long Term Disability (LTD), Group Universal Life (GUL), Return to Work (RTW) and the Americans with Disabilities ACT (ADA) Frequently Asked Questions (FAQs)

Important: For more information, visit the SBO website at de.gov/statewidebenefits
(Navigation: Select your group > Select "Disability Insurance")

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Hartford's Business Strength

(1) What happens in the event The Hartford goes out of business? What procedures are in place to handle this if it happens?

The State is self-insured for the Short Term Disability plan and The Hartford insures the Long Term Disability plan. In selecting a DIP Insurance Carrier or Third-Party Administrator, one of the criteria used in the Request for Proposal (RFP) process is the financial strength of the company. The Hartford was founded in 1810 and began in the disability business in 1920. If, for whatever reason, The Hartford was to go out of business, there are procedures in place through the Department of Insurance to ensure that LTD claims are paid. Every insurance company that writes business in the State of Delaware has to deposit a percentage of the premium into a special trust fund. This fund is used in the event of an insurer defaulting. The State would then select another insurance carrier to cover the LTD portion for the employees that are active.

Benefit Booklets

(2) Where can employees view a copy of the STD, LTD and/or GUL benefit booklets?

Visit the DIP page of the SBO website to view copies of the STD (Short Term Disability), LTD (Long Term Disability), and GUL (Group Universal Life) benefit booklets.

Service Pension Eligibility

(3) Can employees use time on approved STD and/or LTD claim to meet eligibility for a service pension benefit?

Yes, employees can use time on approved STD and/or LTD claim to meet eligibility for a service pension benefit.

Long Term Care, Accident & Critical Illness

(4) Under the Disability Insurance Program, are disability benefit payments decreased for employees collecting payments from a long term care or critical illness policy?

Long term care is insurance that typically pays medical bills (i.e., nursing home, etc.) in the event of the need for long term care. Critical Illness policies typically pay for expenses incurred when an individual experiences a critical illness. The benefits of Long Term Care and Critical Illness policies are not typically considered income replacement. Therefore, there would not be an offset (decrease) in the STD and/or LTD benefit payment.

Taxes and W-2 Forms

(5) It is understood that STD and LTD benefit payments are taxable. Are the taxes deducted from disability payments or is the employee responsible for paying the taxes?

Taxes will be deducted from the benefit in accordance with the employees W-4 form for STD and the directive given to The Hartford by the individual for the LTD payment.

(6) If employees receive STD and/or LTD benefits, will this information show on W-2 forms at the end of the year?

The STD benefit paid by the State of Delaware will appear on the W-2 form. The LTD benefit paid by The Hartford will be reflected on a W2 form produced by The Hartford. Both are taxable income as the cost of the DIP is paid 100% by the State of Delaware.

Securian Financial Post Employment Group Universal Life (GUL) Premium Payments

(7) After employment separation, how will Securian Financial continue to receive premium payments from employees who are enrolled in the Group Universal Life (GUL) plan?

The State of Delaware's GUL plan includes a Premium Waiver benefit for the protection of disabled employees. Employees who become totally disabled while enrolled in the GUL plan will have their *employee only* premium waived for as long as the employee is deemed totally disabled or until the employee attains age 65, whichever occurs first.

For more information, visit the SBO website.

Americans with Disabilities Act (ADA)

(8) What is the Americans with Disabilities Act (ADA)?

The Americans with Disabilities Act (ADA) is a civil rights law that prohibits discrimination against individuals with disabilities. The purpose of the law is to make sure that people with disabilities have the same rights and opportunities as everyone else. When medical restrictions prohibit a "Qualified Individual with a Disability" from performing the essential functions of their job, the Americans with Disabilities Act (ADA), requires an employer to communicate in an interactive process or interactive dialogue, with the Qualified Individual with a Disability to identify possible reasonable accommodations that may allow the individual to perform the job.

(9) How does the ADA define a Qualified Individual with a Disability?

A "Qualified Individual with a Disability" is an individual who has:

a) a physical or mental impairment that substantially limits one or more of the major life activities of such individual;
b) a record of such impairment; or
c) being regarded as having such impairment.

(10) How does the ADA define the "Interactive Process"?

When medical restrictions prohibit an employee with a disability from doing their job, the Americans with Disabilities Act (ADA) requires an employer to communicate with the employee concerning an accommodation. This exchange has been described variously as the "core" or "proactive" process, "cooperative problem solving," "open and individualized exchange," a "search", and a "flexible give-and-take." Most frequently, it is called the "interactive process" or by the redundant term, "interactive dialogue." The purpose of this

dialogue is to "identify the precise limitations resulting from the disability and potential reasonable accommodations that could overcome those limitations." 29 C.F.R. § 1630.2 (o)(3).

(11) What are the State of Delaware's Guidelines and Procedures for Reasonable Accommodations?

Please visit the Department of Human Resources (DHR) website for detailed information. For organizations that do not fall under the Department of Human Resources, employees should contact their HR/Benefits Office for guidelines and procedures specific to their organization.

Disclaimer –

If there is any conflict in interpretation between the FAQ's and the Short Term Disability (STD) and Long Term Disability (LTD) plan contract provisions and existing law, the contract provisions and/or law govern.

Questions regarding the Disability Insurance Program?

Please contact the Statewide Benefits Office Customer Service Team by telephone at 1-800-489-8933 or by email at benefits@delaware.gov.