

DHHS POLICIES AND PROCEDURES

Section V:	Human Resources
Title:	Safety and Benefits
Chapter:	Disability Income Plan
Current Effective Date:	4/1/04
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Purpose

The purpose of this procedure is to provide guidance and consistency in the administration of the State Disability Income Plan.

Policy

Employees who are members of Teachers and State Employees Retirement System are covered under the Disability Income Plan of North Carolina. The plan is a financial benefit that the state provides in the event that an employee becomes unable to perform the duties of their occupation.

Implementation

1. Notification

A. Employee's Supervisor's Responsibility

1. Monitor Employee Leave

- a. Supervisor/timekeeper shall notify Human Resources (HR) when an employee is on sick leave/leave without pay for extended illness after 45 days from date of disability.
- b. HR will monitor until 60 days from onset of disability.

B. HR Responsibility to Disabled Employee

1. Inform employee of eligibility (see Appendix B for sample letters).
2. Establish and maintain a checklist/log (see Appendix C for sample log).
3. Check for the five (5) years of state service at the time of disability for health insurance coverage.

C. Management Review

1. Management may request a second medical opinion at employee expense.
2. Management may request a review by the Disability Income Plan's Medical Review Board (see IV).

2. Processing Payments

A. Human Resources

1. HR completes DIP E-1 and DIP E-2 and receives the DIP E-3 from the employee or employee's physician.
2. If the disability occurs mid-month, arrange payment to coincide with the end of a month. Example: disability occurred on January 20, 60-day waiting through March 20, first benefit payment May 31 (10 days for March and April). (In determining exact date of end of 60-day waiting period, count 60 days from the onset of disability as certified by the physician or the day after the last day worked depending on which is later.)
3. Payments are generated by the submission of monthly DIP-3. If the disability is anticipated to be three (3) months or more, the employee should have the physician complete Retirement Form 7A and send to HR who will request a review from the Medical Review Board. (See IV) Approval from the Medical Review Board will eliminate the need for a monthly DIP-3, but HR will continue to be required to submit the DIP-E2 to Payroll.
4. HR and management are responsible for reviewing the applications and certifications to assure that the person remains disabled to do his/her current job. HR and management have the right to require certification of eligibility for short-term benefits by the Medical Review Board of the North Carolina Retirement Systems Division, prior to payment of benefits. If there is any doubt of the authenticity of the DIP-3 certification of Disability by Physician or the legitimacy of the disability, HR and management should exercise the option of requiring certification of disability by the Medical Review Board. The DIP-5 form is used to request certification of eligibility for short-term benefits (see IV).

3. Payroll

- A. Payroll will pay based on the date the physician certifies on DIP-3 or up to a maximum of five (5) days after physician signed the DIP-3 in order to coincide with the end of a calendar month.

- B. It is important to submit the required documentation to payroll on or before your regular payroll deadline.

4. Short Term Disability

A. Position Management

1. Short-term disability allows the employee to return to work in a “trial rehabilitation” of not more than 40 continuous days. Submit PD-105 to reinstate. (Trial rehabilitation during the short-term period is a return to service at full capacity.)
2. HR will hold the position or a similar position to make it available to the employee for return purposes.
3. The position may be filled by a temporary appointment, time-limited appointment or the use of a temporary promotion until the disabled employee returns.
4. If there is a management need to recruit and fill the employee’s position on a permanent basis, (the employee will continue to receive the disability benefit), the following factors should be considered:
 - a. Probability of the incumbent returning.
 - b. Recruitment difficulties of not hiring permanently.
 - c. Critical nature of position.

5. Miscellaneous Information

- A. When accumulated vacation leave is paid to the employee during the short-term period of separation, the disability payments are stopped. Lump sum payouts for vacation leave are treated the same as if the employee exhausted such leave.
- B. Regardless of the number of days the employee is in receipt of the disability benefits in a month, the state’s portion of the State Health Insurance is to be paid. When an employee goes from short term to long term, the retirement system will pick up the insurance coverage the first of the month following the first full month after short term ends. Insurance coverage paid by an employer will be reimbursed by the plan.
- C. Service credit in a local government as a contributing member counts toward the one-year eligibility for Disability Income Plan, but an employee must have five (5) years of state service for health insurance to be paid.

- A. Although longevity is used in calculating the formula for short-term benefit, the employee is to receive a full longevity payment at the scheduled payment date upon return to work. (Longevity is treated the same as any other employee on leave without pay for any purpose.)

Reference

[Your Retirement Benefit](#) booklet, “Disability Income Plan of North Carolina”.
(See Appendix A for “Disability Income Plan Calendar”.)

For questions or clarification on any of the information contained in this policy, please contact [Human Resources](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).