

Income Continuance Plan Benefits and the Teachers Superannuation and Disability Benefits Plan

July 2007





Introduction

The Income Continuance Plan (ICP) is a long term disability plan for Saskatchewan teachers. Funded by member contributions, ICP provides a monthly disability income to members, along with rehabilitative programs that support the recovery process and re-entry to active employment. ICP benefits are coordinated with other sources of income you may be entitled to during your disability. As a teacher covered by the Saskatchewan Teachers Superannuation Plan, one of those sources of income is the disability allowance you may be entitled to receive from the Teachers Superannuation and Disability Benefits Plan or would be entitled to receive if all contributions and service were credited to you, including refunded service.

The information in this summary answers some of the most common questions about the disability allowance from the Teachers Superannuation Plan and its relationship to the Income Continuance Plan.

The Canada Pension Plan (CPP) disability and retirement benefit is another potential source of income you may be entitled to during your disability. For general information about the CPP benefit, refer to the brochure titled *Income Continuance Plan Benefits and the Canada Pension Plan*.

Notice Regarding Personal Information

When you apply for disability benefits or when your claim is reviewed, the STF Income Continuation Plan collects personal information relevant to your claim under the Plan. Name, address, telephone number, birth date, employing school division, and contractual status are collected from you and may be shared within the organization to maintain our databases and provide disability benefits and other related services to you. We collect this information from you in order to identify you, to protect both you and the Plan from error and fraud, to meet your service needs, and to comply with legal requirements.

The Income Continuation Plan will obtain details of your employment status, salary, and sick leave entitlement from your Secretary-Treasurer. In addition, health information related to your claim will be collected from a medical practitioner. Information related to your claim may also be collected from an STF Rehabilitation Counsellor. The intent of this collection is to obtain the information necessary for the STF to adjudicate your claim and determine if and when you qualify for ICP benefits. By signing the Statement of Claimant form you are authorizing any medical practitioner or rehabilitation counsellor you have seen to provide the STF Income Continuation Plan with information regarding such examinations including dates, symptoms, diagnosis, and treatments.

A confidential file containing all the personal information related to your long term disability claim will be set up and maintained. The purpose of this file is to permit the Income Continuation Plan to administer all long term disability benefit

services provided to you and to keep information specific to the STF Income Continuance Plan business relationship with you. This includes the following:

- Actuarial and financial reporting (e.g. claim data is summarized each year and used to calculate liabilities of the plan);
- Internal and external audits;
- Preparation of regulatory and statutory reports (e.g. reports that may be required by provincial statute);
- Co-ordination of benefits (e.g. co-ordinate ICP benefits with benefits received from Saskatchewan Government Insurance).

Access to your claim information is restricted to personnel involved in the administration of the Plan and any person or organization that has relevant information about you to exchange information needed for processing your application or claim. The STF is committed to protecting your privacy and confidentiality of personal information.

You have certain rights of access and correction with respect to the information in your file. A request for access or correction must be in writing and may be sent to the STF Income Continuance Plan office.

Medical information may only be released to you through your personal physician.

What is the Saskatchewan Teachers Superannuation and Disability Benefits Plan?

The Saskatchewan Teachers Superannuation and Disability Benefits Plan is more commonly referred to as the Teachers Superannuation Plan or TSP. You probably know that the TSP provides a retirement pension, but do you know about the financial protection available in the event of disability? If you are not able to perform your teaching duties because of a physical or mental disability, you may be eligible for a disability allowance from the Teachers Superannuation Plan. The amount of the disability benefit is calculated in the same manner as an age and service allowance. If you are able to work for a portion of your regular teaching time, the allowance is prorated.

Who administers the Teachers Superannuation and Disability Benefits Plan?

The Saskatchewan Teachers' Superannuation Commission is responsible to the Minister of Learning for the administration of *The Teachers Superannuation and Disability Benefits Act*. The Commission consists of seven members appointed by the Lieutenant Governor in Council, supported by administrative staff.

Do I need to apply for a TSP disability allowance even though I have disability coverage under the Income Continuance Plan?

Yes. Because the Income Continuance Plan is integrated with other disability benefits, your ICP benefit is reduced by all or a

portion of disability benefits you are eligible to receive from other sources such as the Teachers Superannuation Plan. To receive the full amount to which you are entitled, you must apply for a TSP disability allowance.

The rules for determining disability under the Teachers Superannuation Plan are different from the disability rules under the Income Continuance Plan and the Canada Pension Plan. The decisions with respect to your application under each program are independent of each other.

You must keep the ICP office informed of the status of your application for a disability benefit under the Teachers Superannuation Plan to ensure your ICP benefits continue uninterrupted.

Who is eligible for disability benefits under the Teachers Superannuation and Disability Benefits Plan?

To qualify for a disability allowance from the Teachers Superannuation Plan you must:

- be under age 65;
- be disabled from teaching for at least 60 calendar days due to physical or mental incapacity;
- have at least 10 years of eligibility service and/or Income Continuance Plan service in the Teachers Superannuation Plan, 3 of which are in the 5 years immediately prior to the date on which the disability benefit may commence.

You must apply for a TSP disability allowance and submit any evidence of eligibility required by the Saskatchewan Teachers' Superannuation Commission.

What if I am not eligible for a TSP disability allowance at the time I apply for ICP benefits?

You may not immediately meet the 10 year rule or 3 out of 5 rule as described above to qualify for a TSP disability allowance. However, if you receive ICP benefits, you will accrue pension service and become eligible for a disability allowance from the TSP. When you become eligible, your Income Continuance Plan benefit will be recalculated and you must apply for a TSP disability allowance.

The Income Continuance Plan will provide you with an approximate date of when you will become eligible for TSP benefits at the time you apply for Income Continuance Plan benefits.

What else should I consider before applying for a TSP disability allowance?

Purchasing Other Service or Leave Periods as Teaching Service

Purchasing eligible periods of parenting absences, full-time attendance at university, or outside service before your TSP disability allowance begins could increase the amount of your disability allowance. On written request, the Saskatchewan Teachers' Superannuation Commission will provide an estimate of the amount required to purchase or transfer such service. You can then decide whether or not to proceed. *Any purchases or transfers must be done prior to the commencement of a disability allowance.*

Reinstatement of Refund

Your ICP benefit is reduced by all or a portion of the TSP disability allowance you receive or would be eligible to receive if all pension

contributions and service were credited to you, including refunded service.

If you have accepted a refund of all or a portion of your pension contributions you should consider reinstating the refund before commencing your disability allowance. The number of years refunded will be used in the calculation of the reduction to your ICP benefit but, if not reinstated, will not be used in the calculation of your TSP disability allowance, resulting in a reduced disability benefit. A disability allowance may not be payable at all if the number of years for which contributions were refunded reduces the number of eligibility years to less than 10. The Saskatchewan Teachers' Superannuation Commission can estimate the cost of reinstating previously refunded service. You are encouraged to obtain an estimate before making your decision. The Saskatchewan Teachers' Superannuation Commission can also provide you with the approximate disability allowance with and without the purchase. You should also contact the Income Continuance Plan to obtain an estimate of the ICP benefit so you can assess the full impact on your disability benefits.

When should I apply for a TSP disability allowance?

You should contact the STF Administrative Staff member for your local association at least 60 days before the expiry of your sick leave benefits from your employing school board. This will help ensure a smooth transition from sick leave to disability benefits. The STF Administrative Staff member will discuss your eligibility for a disability allowance, Income Continuance Plan benefits, other teacher benefit programs, as well as any contractual issues that might arise.

How do I apply for the TSP disability allowance?

The STF Administrative Staff member for your local association can provide the necessary forms and help guide you through the application process. Application forms for the TSP disability allowance can also be obtained directly from the Saskatchewan Teachers' Superannuation Commission.

The Teachers Superannuation and Disability Benefits Act requires that an application for a disability allowance be supported by medical reports from two physicians. Once the Saskatchewan Teachers' Superannuation Commission receives your application for a disability allowance, you will be provided with a medical form to be completed by your personal physician. You will also be asked to arrange an appointment with a physician appointed by the Saskatchewan Teachers' Superannuation Commission for the completion of a second medical form. If additional information is required, the Saskatchewan Teachers' Superannuation Commission will contact you.

The allowance, if granted, is retroactive to the first day following the expiry of your sick leave benefits. Upon approval of your application, the Saskatchewan Teachers' Superannuation Commission will require you to apply, if you have not done so already, to Service Canada for a Canada Pension Plan disability benefit. Canada Pension Plan disability application kits are available from Service Canada by calling 1-800-277-9914 or on-line at www.servicecanada.gc.ca.

How much is the TSP disability allowance?

The amount of your TSP disability allowance is calculated using the same formula that applies when calculating your regular age and service allowance. Other income you receive may reduce your ICP and TSP benefit.

Example of a TSP disability allowance calculation:

Helen has been approved for a disability allowance from the Teachers Superannuation Plan to commence January 1. At that time she had 25 years of eligibility and contributory service, and her highest five-year average salary was \$55,000. Helen's disability allowance was calculated as follows:

$$.02 \times \$55,000.00 \times 25.00 \text{ years} = \$27,500.00$$

minus*

reduction for CPP integration:

$$.007 \times \$41,460.00 \times 25.00 \text{ years} = \underline{(7,255.50)}$$

$$\text{Annual TSP disability allowance} = \underline{\underline{\$20,244.50}}$$

** The reduction for CPP integration used in this example only applies if you are receiving a CPP disability pension. When the Teachers Superannuation Plan grants a disability allowance, it assumes you are eligible to receive a CPP disability allowance and your TSP disability allowance is reduced accordingly. If your application for CPP disability benefits and any subsequent appeal is denied, your disability allowance from the Teachers Superannuation Plan will be adjusted retroactively to exclude the CPP reduction.*

What is the relationship between the Teachers Superannuation and Disability Benefits Plan and the Income Continuance Plan?

All or a portion of the disability allowance you are eligible to receive from the Teachers Superannuation Plan reduces your ICP benefit. For claims commencing after July 1, 1985 the reduction is calculated as a percentage of the combined monthly TSP disability allowance and CPP disability or retirement benefit as follows:

- 100% of the first \$600.00,
- 80% of the next \$400.00 and
- 70% of any benefits above \$1,000.00.

Example of an Income Continuance Plan benefit calculation:

Helen's gross annual salary on the last day she received pay from her Board is \$60,000. Her application for CPP disability benefits and subsequent appeal has been denied. In addition to the ICP benefit, Helen is receiving a disability allowance from the Teachers Superannuation Plan in the amount of \$2,291.66 per month. Helen's ICP benefit will be reduced as follows:

100% of the first \$600.00	=	\$	600.00
80% of the next \$400.00	=		320.00
70% of the remainder			
(\$2,291.66 - \$1,000.00)	=		<u>904.16</u>
Reduction	=	\$	<u>1,824.16</u>

Helen's monthly salary, for the purpose of the ICP benefit calculation, is one-twelfth of \$60,000.00 or \$5,000.00. If the claim began after July 1, 2007, the net ICP benefit is:

50% X \$3,300.00	= \$ 1,650.00
40% X (\$5,000.00-\$3,300.00)	= <u>680.00</u>
Gross monthly ICP Benefit	= \$ 2,330.00
Reduction (see above)	<u>(1,824.16)</u>
Net monthly ICP benefit	= \$ <u>505.84</u>

or \$30.81 per teaching day (($\$505.84 \times 12$) / 197 teaching days)

Helen will receive \$30.81 for each teaching day lost during the remainder of the school year from ICP. If Helen is subsequently approved for ICP benefits up to the end of the next school year, she will receive \$505.84 each month from September to August. The ICP benefit is in addition to the \$2,291.66 monthly disability allowance Helen will receive from the Teachers Superannuation Plan.

Important contacts

For more information on any aspect of the STF Income Continuance Plan

The ICP Office
2317 Arlington Avenue
Saskatoon SK S7J 2H8
Telephone 1-800-667-7762 or (306) 373-1660

For more information on any aspect of the Saskatchewan Teachers Superannuation and Disability Benefits Plan

Saskatchewan Teachers' Superannuation Commission
1840 Lorne St., 1st Floor, North Wing
Regina SK S4P 2L7
Telephone 1-877-364-8202 or (306) 787-6440

For information and advice on the profession and all programs and services provided by the Saskatchewan Teachers' Federation

The STF Administrative Staff member for your local association

SASKATOON:
2317 Arlington Avenue S7J 2H8
Telephone 1-800-667-7762 or (306) 373-1660
Facsimile (306) 374-1122
E-mail: teacherw@stf.sk.ca

REGINA:
Suite 205 – 3303 Hillsdale Street S4S 6W9
Telephone 1-800-668-6658 or (306) 525-0368
Facsimile (306) 565-8899
E-mail: regina@stf.sk.ca

For information regarding CPP disability benefits

Canada Pension Plan
1-800-277-9914 or www.servicecanada.gc.ca



The information in this summary is intended to be general. In the event any discrepancy or misunderstanding should arise, the applicable Plan Text or legislation is the final authority.

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