



DISABILITY

JULY 2020

TEACHERS' LONG-TERM DISABILITY PLAN BENEFITS AND CANADA PENSION PLAN DISABILITY BENEFITS

INFORMATION FOR
SASKATCHEWAN TEACHERS



SASKATCHEWAN
TEACHERS'
FEDERATION

This summary contains general information only.

In the event any discrepancy or misunderstanding should arise, the applicable plan text or legislation is the final authority concerning the administration of the Teachers' Long-Term Disability Plan.

INTRODUCTION

Benefits from the Teachers' Long-Term Disability Plan are coordinated with other sources of replacement income you may be entitled to during your disability. One of those income sources is Canada Pension Plan (CPP) disability benefits. This brochure will answer some of the most frequently asked questions about the disability benefits available through the Canada Pension Plan and the relationship between CPP benefits and teacher disability benefits.

What are CPP disability benefits?

The Canada Pension Plan disability program provides a monthly benefit to you when your employment earnings have stopped because of a severe and prolonged disability. The monthly benefit includes a fixed amount that everyone receives plus an amount based on how much you contributed to the CPP during your entire working career. There is also a monthly CPP benefit for your dependent children.

Who is eligible for CPP disability benefits?

To qualify for Canada Pension Plan disability benefits you must:

- Be under age 65.
- Have earned a specified minimum amount and contributed to the CPP while working for a minimum number of years.
- Be disabled according to the CPP legislation.

What is the definition of disability under the CPP legislation?

To be considered disabled under the Canada Pension Plan legislation, you must be suffering from a physical or mental disability that is "severe and prolonged" and of "indefinite duration." This means your medical condition is long-term and prevents you from working regularly at any job.

Do I need to apply for CPP disability benefits even though I have coverage under the Teachers' Long-Term Disability Plan?

Yes. Your teacher disability benefit is reduced by the disability benefits you're eligible to receive from other sources such as the Canada Pension Plan. To receive the full amount to which you're entitled, you must apply for CPP disability benefits.

When should I apply for CPP disability benefits?

To avoid loss of benefits, it is essential that you apply for Canada Pension Plan benefits as soon as you meet Canada Pension Plan's criteria, even if you're receiving sick leave benefits from your employer. If your claim for CPP disability benefits has been denied, you may be asked to appeal or to reapply, especially if there is any deterioration in your medical condition.

How do I apply for CPP disability benefits?

You must apply in writing. If you're unable to apply yourself, another person may apply for you. Application kits are available from Service Canada by calling 1-800-277-9914. This kit contains the forms, information and instructions that you'll need to apply. You can also access and print a Canada Pension Plan disability application kit online.

What is the relationship between the CPP disability benefit and the Teachers' Long-Term Disability Plan?

Your teacher disability benefit is reduced or "offset" by all or a portion of the CPP disability benefit you're eligible to receive. The reduction is calculated as a percentage of the monthly CPP disability benefit as follows:

- 100% of the first \$600;
- 80% of the next \$400; and
- 70% of any benefits above \$1,000.

EXAMPLE OF A TEACHERS' LONG-TERM DISABILITY PLAN BENEFIT CALCULATION

Amy's gross annual salary on the last day she received pay from her employing school division is \$86,000. Amy is receiving a disability benefit from the Canada Pension Plan in the amount of \$1,200 per month. Amy's benefit from the Teachers' Long-Term Disability Plan will be reduced as follows:

| | |
|-------------------------------------|--------------------|
| 100% of the first \$600 CPP benefit | \$ 600.00 |
| 80% of the next \$400 CPP benefit | 320.00 |
| 70% of (\$1,200 – \$600 – \$400) | 140.00 |
| Reduction | \$ 1,060.00 |

Amy's monthly salary for the purpose of the teacher disability plan is one-twelfth of \$86,000 or \$7,166.67. If the claim commenced on or after July 1, 2020, the net STF disability plan benefit is:

| | |
|---|--------------------|
| 50% x \$4,460.00 | \$ 2,230.00 |
| 40% x (\$7,166.67 – \$4,460.00) | 1,082.67 |
| Gross monthly teacher disability benefit | 3,312.67 |
| Reduction | (1,060.00) |
| Net monthly STF disability benefit | \$ 2,252.67 |
| or \$137.22 per day ($\$2,252.67 \times 12/197$ days) | |

Amy will receive \$137.22 for each teaching day lost during the period approved by the Teachers' Long-Term Disability Plan for the 2020-21 school year. If Amy is subsequently approved for STF disability benefits beyond the 2020-21 school year, she'll receive \$2,252.67 per month beginning September 2021. This is in addition to the \$1,200 monthly CPP disability benefit.

CPP benefit payments for dependent children do not affect STF disability benefits.

CPP retirement benefits will reduce STF disability benefits in the same manner as CPP disability benefits.

When I was approved for benefits from the Teachers' Long Term Disability Plan, I received two Service Canada forms. Why should I sign them?

Benefits from the Teachers' Long-Term Disability Plan are reduced or "offset" by CPP disability benefits. However, STF disability benefits are processed faster and, thus, start earlier than CPP benefits.

When CPP disability benefits are approved, they're typically paid retroactively. If this occurs, your STF disability benefit will be adjusted retroactively, resulting in an overpayment to you. You're required to reimburse the Teachers' Long-Term Disability Plan the amount of any overpayment.

To protect you from a large overpayment and ensure your STF disability benefits continue uninterrupted, the following Service Canada forms are included with your STF disability benefit approval letter:

- 1) *Irrevocable Consent to Deduct and Pay an Insurer*
- 2) *Consent for Service Canada and Insurer to Communicate Disability Benefit Information*

These forms authorize Service Canada to forward the appropriate portion of any retroactive CPP benefit payment directly to the Teachers' Long-Term Disability Plan. You must sign and return these forms to our office within two weeks of receiving them. You'll be asked to complete the *Consent for Service Canada and Insurer to Communicate Disability Benefit Information* form annually until you're approved for CPP benefits.

If you choose not to sign and return these forms, an estimated amount of the CPP disability benefit will be deducted from your monthly benefit from the Teachers' Long-Term Disability Plan to protect you from an overpayment situation.

If you have already been approved for CPP disability benefits, please send a copy of your CPP *Notice of Entitlement* to our office.

If your application for CPP benefits has been declined, you must submit to our office a copy of the *Notice of Denial* along with your signed *Consent for Service Canada and Insurer to Communicate Disability Benefit Information* form.

It's not unusual to be declined for CPP disability benefits and the decision can be appealed. Service Canada must receive your written request for reconsideration within 90 days of the date the denial letter was issued. Any additional information to be sent to Service Canada for their consideration should be forwarded to them as soon as possible. You should also send a copy of your appeal request to our office to ensure you continue to receive your full benefit from the Teachers' Long-Term Disability Plan.

I was approved for CPP disability benefits and received a large cheque. What does this mean?

If you did not complete the *Irrevocable Consent to Deduct and Pay an Insurer* and the *Consent for Service Canada and Insurer to Communicate Disability Benefit Information* forms, retroactive CPP disability benefits would have been paid directly to you. Your STF disability benefit will need to be reduced retroactively, creating a benefit overpayment.

It is your responsibility to reimburse the Teachers' Long-Term Disability Plan directly for any overpayment of benefits. If you received a cheque for retroactive benefits, simply send your CPP *Notice of Entitlement* to our office. Any overpayment will be calculated. You will be notified of the amount to be repaid and the date by which the Plan must be reimbursed to avoid interruption of your benefits.

How can I get more information?

Contact the Teachers' Long-Term Disability Plan at:

**Teachers' Long-Term
Disability Plan**

2317 Arlington Avenue
Saskatoon SK S7J 2H8

T: 1-800-667-7762
306-373-1660

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