

Paid Sick Leave and Short Term Disability Insurance: Financial Supports for Short Term Absences

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If you need more than a few days off work as a result of your episodic disability, you will want to understand what options are available to you to help support your income. For shorter term absences, these options may include paid sick leave and/or short term disability insurance. These are outlined below.

Paid Sick Leave

Some companies offer their employees sick leave with pay, but this does not happen consistently nor is it a legal requirement for employers to do so. Only one province in Canada mandates paid sick leave. Prince Edward Island mandates employers to provide one day of paid sick leave, but this applies only for employees who have worked at the same company for a minimum of five years in a row.¹

The unfortunate reality is that many people in Canada are not eligible for paid sick leave. According to the Conference Board of Canada's Report *Disability Management - Opportunities for Employer Action*, only 1/3 of employees between the ages of 18-24 have paid sick days. Older workers are also vulnerable as both young and older workers tend to have jobs in the service industry and/or work part-time; these are work contexts that typically do not offer paid sick leave.

The amount of sick leave with pay employees may be entitled to will differ from workplace to workplace as it is provided privately by each individual employer to their employees. To find out how much paid sick leave you may be entitled to, check with your Human Resources department or direct manager. If you do have paid sick leave, it is usually expected that you would exhaust your paid sick leave before moving on to other sources of income, such as Short Term Disability Insurance, if available.

Protected Leave or Unpaid Leave

There are laws in Canada that allow you to have time off work without pay, under certain circumstances, without putting your job in jeopardy. This is a link to [EDEN's Fact Sheet on Unpaid Sick Leave](#) for more information.

Short Term Disability Insurance (STD)

Not all employers offer Disability Insurance, and there are no legal requirements that mandate it being offered. Disability Insurance is a type of private insurance that provides coverage, in the form of a percentage of an employee's income, for employees who are unable to work as a result of either an injury or illness. This is usually provided as a part of an employee benefit package, although some employers choose not to offer it. To find out if you have access to any type of disability insurance ask your human resources department or your union representative.

¹ Ensuring equitable access to sick leave. CMAJ, September 16, 2014, 186(13)

There are two basic types of disability insurance: Short Term Disability Insurance and Long-Term Disability Insurance. Only Short Term Disability Insurance is described in this fact sheet.

Short Term Disability Insurance (STD) provides a percentage of a person's income in the event that they are temporarily disabled. Most STD plans pay between 9 weeks and 52 weeks of coverage, with many paying for about six months. Coverage may be between 55% - 70% of a person's existing salary.

Qualifying for Short Term Disability Insurance

If an employer does offer STD, there may be a waiting, or "qualifying period" or it might start right away. STD often takes over after paid sick leave runs out. Medical documentation is usually required from your doctor in order to qualify for STD. The required forms will probably ask your doctor to provide a diagnosis and indicate what your prognosis may be and when you might be expected to return to work. Make note of what is required by your doctor. Most companies require that a form be filled in by the doctor and will not necessarily accept a short note in place of the forms. Some doctors may charge a fee for completing these forms and it is the employee's responsibility to pay any fees charged by the doctor. After the insurance company receives your claim they may ask for additional information from you, your employer and/or your doctor. They may even ask to interview you, your employer or your doctor over the phone, and ask some additional questions. The insurance company will take a period of time to determine if you do indeed qualify for short-term disability insurance. Once they have reached a decision they will inform both you and your employer.

Once on Short Term Disability Insurance:

Benefits will be paid either by cheque or by direct deposit, if the appropriate arrangements have been made. The insurance company expects to communicate with the employee and related healthcare providers regarding their recovery and their expected return to work date. The insurance company also expects that the employee will undertake the appropriate medical treatment for their condition and will be willing to undergo independent medical exams if requested by the insurance provider. As well, anyone receiving benefits is expected to participate in insurance company provided vocational rehabilitation programs.

Restrictions on Benefits:

When receiving STD benefits there may be restrictions on the kinds of activities you can undertake, particularly related to earning any other kind of income. Depending on your plan, you may not be allowed to:

- leave the country, unless you have sought permission from the insurance provider first;
- receive money for any work unless it has been approved by the insurance company first;
- receive money from other income support sources without reporting it. Other sources of income, like CCP, Employment Insurance or provincial income support programs will usually be deducted dollar for dollar from your STD benefits; and/or
- receive benefits while you are incarcerated.

There may be other restrictions as well, so it is important to check the details of your specific STD plan.

Returning to Work:

Employees are usually assigned some kind of case manager who will communicate with the employee and the health care providers about when and how to return to work. A 'Return to Work Plan' will probably be developed that may include modified work duties and/or a gradual return to work, starting with a few hours and progressing over time to regular hours. There may be other strategies put into place to help ease the transition back to work. Return to work plans are highly individualized so your plan might not be the same as someone else's plan. If you are not able to return to work within the time period covered by STD benefits, you will have to examine other alternatives for income supports. These may include long term disability benefits if they are offered by your employer.

A Note about Privacy:

Details regarding your diagnosis, medical history or medical conditions are not to be shared with your employer unless you have expressly consented to this being shared, usually through signing a form that says so. Read the forms given to you by the insurance provider carefully so that you know who, and under what circumstances, your medical information might be shared.

PLEASE NOTE: This fact sheet was developed as an information resource only. All benefits and insurance plans are different so for the details of your plan, please check with your HR department or your union representative. If you require advice regarding your specific circumstances, seek legal assistance.