

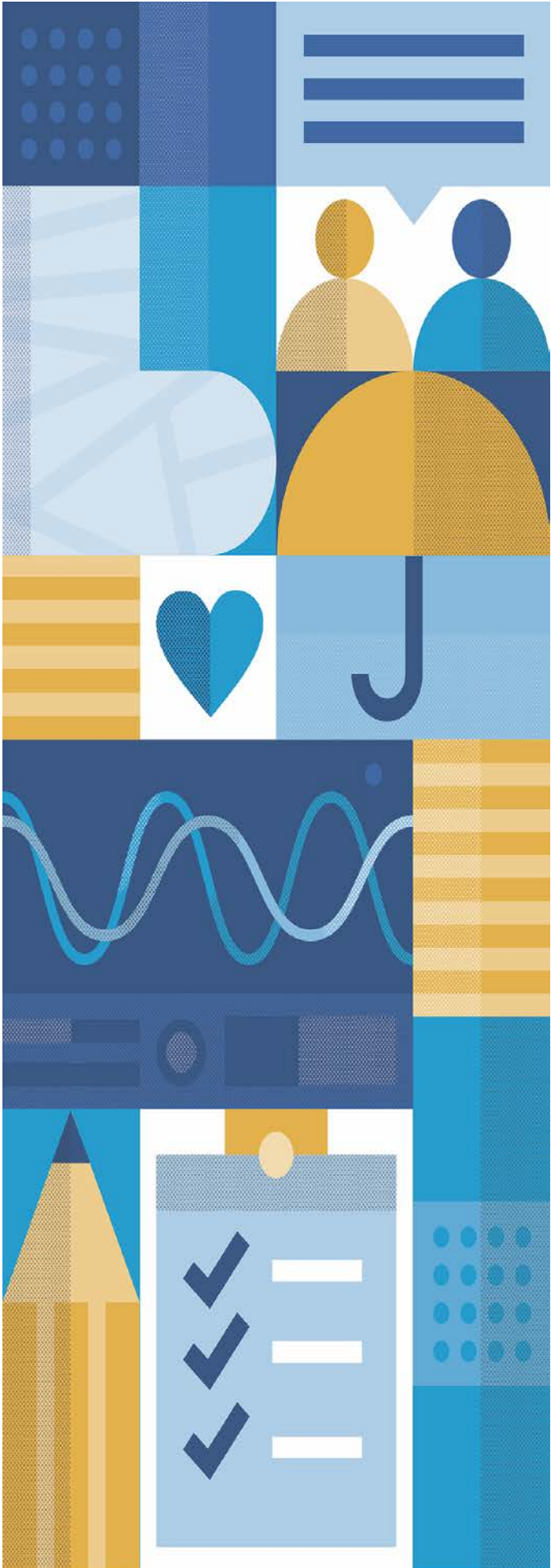
Long Term Disability

Annual Report 2018/19

Brought to you by the BC Public Service Agency



Where ideas work



The Long Term Disability Plan

The members of the plan consist of British Columbia Public Service employees and employees of various Crown Corporations, Agencies, Boards and Commissions (see list on page 7). As of March 31, 2019, there were approximately 35,419 members covered by the plan. This is an increase of 1776 members from March 31, 2018.

The Long Term Disability (LTD) plan is 100 per cent funded by the participating employers. While the landscape in Canada is changing with respect to the ability to self-insure LTD plans, the BC Public Service Agency has adopted practices to minimize risks, including continuous funding, optimizing investment returns, establishing funding and rate-setting policies, and signing participation agreements with all participating employers.

GOVERNANCE

Members' LTD benefits are established under the *Public Service Benefits Plan Act* and the *Long Term Disability Plan Regulation*. The Regulation sets out which employees are covered by the LTD plan, the eligibility criteria for receipt of plan benefits, the participating employers' rate, and other provisions related to the administration of LTD benefits. The plan structure attributes disability costs to each participating employer or group of participating employers.

In keeping with the BC Public Service Agency's commitment to accountability and transparency, the Deputy Minister, BC Public Service Agency relies on a number of policies to govern the plan. These policies include, but are not limited to:

LTD PLAN INVESTMENT POLICY: With the change to a Special Account, the Long Term Disability Plan no longer holds investments. Instead, Government pays interest to the plan on the spending authority available for the Special Account at the end of the previous fiscal year as reported in the Public Accounts. The interest rate is currently set at 6%.

LTD PLAN FUNDING AND RATE SETTING POLICY: Establishes the funding objectives and guidelines to adequately fund, as assessed by the actuarial valuation, all payment obligations and set future rates that minimize large variations in contribution rates from year to year, while ensuring adequate funding continues.

LTD PLAN AUTHORITIES DELEGATION MATRIX: Defines the level of financial and decision-making authority for the Deputy Minister, BC Public Service Agency, plan administrator, and other stakeholders.

Financial Summary

Claims administration of the LTD plan is provided by the BC Public Service Agency's Workplace Health and Safety branch, in conjunction with claims adjudication and claims paying agent services that have been contracted from the Great-West Life Assurance Company (Great-West Life will be amalgamating to Canada Life as of January 1, 2020).

	2018/19	DESCRIPTION
Gross benefit	\$64 M	Total gross benefit payable on any claims open during the fiscal year.
Offsets	\$18 M	Total deduction from the benefit including other sources of income such as Canada Pension Plan, Rehabilitation, Workers Compensation Board, etc.
Net benefit	\$46 M	The net benefit payables of the fiscal year. The amount paid from the LTD plan.

Claims Summary

	2014/15	2015/16	2016/17	2017/18	2018/19
New claims as of March 31st	432	429	453	482	444*
Approximate plan members	32,720	32,490	32,600	33,643	35,419

*The new claim total will increase if the claim is accepted in the current fiscal year, but benefit start date is within prior fiscal year

Performance

Plan Participation and Comparison	2014/15	2015/16	2016/17	2017/18	2018/19
Active claims as of April 1	1923	1889	1860	1831	1920
Approved	440	445	453	547	507
Re-opened	68	48	43	82	56
Resolved	542	522	525	540	549
Active claims as of March 31	1889	1860	1831	1920	1893

Rehabilitative Trials	2014/15	2015/16	2016/17	2017/18	2018/19
Number of rehab trials	240	237	272	300	290
LTD plan savings	\$1.6M	\$1.6M	\$2.2M	\$2.9M	\$2.8M

An active focus on rehabilitation and return to work continues to be a key component in reducing LTD plan costs. In our plan, approximately half of resolved claims are a result of LTD claimants returning to work.

Service Provider Scorecard

The service provider contract established in fiscal year 2013 with The Great-West Life Assurance Company contains customer-centric service standards. The information below illustrates the continued efforts to meet these high standards and indicates how the service provider performed in 2018/2019.

Service Standards	Goal	Achieved	Met Standard
Claim responsiveness: Will respond to request within 14 days.	90% of the time	85.1% of the time	Missed Target*
Claim responsiveness: Decisions will be communicated within 40 days of receiving a complete application.	90% of the time	100% of the time	Exceeds
Claims payment: Accurate and timely payment of monthly benefit within 30 days of eligibility.	90% of the time	96.7% of the time	Exceeds

*Although this service standard for the year was missed, the service provider took immediate steps to address the shortfall.

Service Standards	Goal	Achieved	Met Standard
Overall claims management: Accuracy, quality responsiveness and correct decision making confirmed through an audit of 25 claims.	90% of the time	100% of the time	Exceeds
Financial claims management: Accuracy and timeliness of LTD payments confirmed through an audit of 10% of all claims.	100% of the time	100% of the time	Met Standard

How the Plan Works

STIIP

Employee reports their illness or injury is going to extend beyond six days.

Supervisor obtains information from employee to determine and approve eligibility for STIIP benefits.

Supervisor and employee explore early return to work opportunities and receive advice regarding those and other options from disability case management team.

Employee applies for LTD benefits.

LTD

LTD pre-qualification period ends, if employee is medically unable to work in their own occupation, they start to receive LTD benefits.

Employee continues to fully participate in their treatment plan and works with their supervisor and disability case management team on return to work planning options.

At the end of their own occupation period (24/25 months of LTD) if the employee is medically unable to work in any gainful employment they continue to receive LTD benefits.

Employee continues to fully participate in their treatment plan and work with their supervisor and disability case management team on return to work planning options and opportunities.

LTD benefits stop when the employee is capable of working in a gainful occupation, retires or reaches maximum age for benefits entitlement.

Participating Employers

- BC Excluded Employees' Association
- BC Ferry Services Inc.
- BC Innovation Council
- BC Investment Management Corporation
- BC Oil and Gas Commission
- BC Pension Corporation
- BC Provincial Government regular employees
- BC Securities Commission
- BC Treaty Commission
- BC Utilities Commission
- Community Living BC
- Conflict of Interest Commissioner
- Constituency Assistants
- Consumer Protection BC
- Elections BC
- First Peoples' Heritage, Language and Cultural Council
- Forest Practices Board
- Freshwater Fisheries Society of BC
- Government House
- Habitat Conservation Trust Foundation
- Information and Privacy Commissioner
- Islands Trust Council
- Judges and Masters of the Supreme Court of BC
- Labour Relations Board/Chair/Associate Chair
- Legislative Assembly of BC
- Liquor Distribution Branch
- Office of the Auditor General of BC
- Office of the Merit Commissioner
- Office of the Ombudsperson
- Partnerships BC
- Police Complaint Commissioner
- Professional Employees Association
- Representative for Children and Youth
- Royal BC Museum
- Transportation Investment Corporation
- Workers' Compensation Appeal Tribunal