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# LONG TERM DISABILITY PLAN – ANNUAL REPORT 2024-2025



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# LTD Plan Overview

Established in 1978, the Long Term Disability (LTD) Plan provides eligible employees with a percentage of their income if they become totally disabled as a result of an illness or injury and have exhausted their Short Term Illness and Injury Plan benefits. *Long term* does not mean permanent disability, many LTD claims are temporary, and the BC Public Service Agency (PSA) aims to support recovery and a return to work.

Employees' LTD benefits are established under the *Public Service Benefit Plan Act*, the LTD Plan Regulation and applicable collective agreements. The LTD Plan Regulation and applicable collective agreements outline which employees are covered by the LTD Plan, the eligibility criteria for receiving plan benefits and other provisions related to the administration of LTD benefits. The LTD Plan structure attributes disability costs to each participating employer or group of participating employers.

The participating organizations of the LTD plan consist of British Columbia Public Service employees and employees of various Crown Corporations, Agencies, Boards, and Commissions. As of March 31, 2025, there were approximately 44,000 regular employees covered by the LTD plan.

The PSA is tasked with administering the LTD Plan, with specific authorities within the LTD Plan Regulation and applicable collective agreements delegated to the Plan Administrator. The PSA manages the LTD application process including determining LTD Plan eligibility and administering appeals to ensure administrative fairness of the LTD process. The PSA has contracted Canada Life Assurance Company as the claims-paying agent to adjudicate medical information and administer claims.

## LTD Plan Contributions

The LTD Plan is self-insured, funded solely by contributions from participating employers. Employer contribution rates are set as a percentage of payroll and adjusted by the BC PSA periodically to reflect the anticipated cost of new disabilities, the financial condition of the LTD Plan, and the ongoing administration costs of the LTD Plan.

The PSA conducts an actuarial valuation assessment annually to establish funding objectives and guidelines to adequately fund all payment obligations. These objectives and guidelines set the future contribution rate to minimize large variations in employer contributions year-to-year and ensures adequate funding of the LTD Plan continues.

Employer contributions fund:

- Approved LTD benefit payments.
- Employer paid benefits (e.g., group life insurance and extended health and dental).
- Administration costs of the LTD Plan.

## Employee LTD Benefits

Eligible employees' who are determined to be "totally disabled" receive LTD benefits at a level determined by the LTD Plan Regulation or applicable Collective Agreement. The definition of totally disabled changes based on the length of time an employee is receiving LTD benefits. The applicable length of time may vary according to collective or contractual agreements.

### **"Own occupation period":**

During the first 25 months of LTD, "totally disabled" refers to the complete disability to perform all the duties of the employee's *own* occupation because of an accident or illness.

### **"Any occupation period":**

After the first 25 months, an employee is considered "totally disabled" if they are unable to work in *any* gainful occupation that pays 75% or more of their previous pay. Gainful occupation is determined by the claims paying agent and considers the employee's education, training, and experience, as well as any accommodation made by the employer to enable return to work.

LTD benefits are paid by direct deposit at the end of each month, are taxable and are reduced by the amounts of any disability incomes, including but not limited to, WorkSafeBC, ICBC, Private Insurance, Employment Insurance, Canada Pension Plan, Income Assistance, Public Service Pension, and other employment incomes.

While receiving LTD benefits, enrolled employees continue to receive employer paid coverage from the LTD Plan for the following benefits:

- Group life insurance
- Extended health care
- Dental plan
- Optional life insurance for employee, spouse or dependent child(ren)

Enrolled employees continue to receive coverage for the following benefits, but are required to pay the premiums through deductions of their monthly LTD benefits to maintain coverage:

- Optional family funeral benefit
- Optional accidental death & dismemberment insurance for employee, spouse or dependent child(ren)

Employers and employees are not required to contribute to the Public Service Pension Plan while on LTD; however, employees continue their membership and are credited with pensionable service.

## Financial Summary

The below table provides the financial overview of the LTD benefits payable from April 1, 2024, to March 31, 2025, as reported by Canada Life Assurance Company. The LTD Plan continues to see year-over-year increases to gross and net benefits payable, with a contributing factor being annual LTD benefit increases, which are associated to general wage increases.

	2024/2025	Description
Gross Benefit	\$74.9m	Total gross benefit payable on any claims open during the fiscal year before offsets were deducted.
Rehab Offsets	\$1.3m	Total deducted from the benefit for graduated return to work trials.
Offsets	\$18.5m	Total deducted from the benefit including other sources of income such as Canada Pension Plan, WorkSafeBC, etc.
Net Benefit	\$55.1m	The net benefit payable to the claimants during the fiscal year after the offsets were deducted.

## LTD Plan Performance Summary

In fiscal 2024/25, the LTD Plan saw a steady application rate from previous years; however, there was a slight decrease in accepted and active claims.

	2024/25	2023/24	2022/23	2021/22
<b>Members Covered by LTD Plan</b>	44,126	43,405	39,998	38,848
<b>Active Claims as of the end of Fiscal Period</b>	1682	1706	1797	1789
<b>Incidence Rate</b> (Number of accepted claims per 1,000 covered employees)	9.8	10.6	14	12
<b>Accepted</b> (Number of Claims Approved During Fiscal Year)	431	460	555	479
<b>Resolved</b> (e.g., Return to Work, Retired, Deceased)	592	662	654	613
<b>Declined</b> (Number of claims declined, closed or abandoned)	282	248	285	271
<b>Net Benefit</b>	<b>\$55.1m</b>	<b>\$53.9m</b>	<b>\$52.6m</b>	<b>\$49.4m</b>

## Claims Paying Agent Performance 2024/25

The claims paying agent contract with Canada Life Assurance Company contains customer-centric service standards. The following table indicates the performance of Canada Life Assurance Company against the service standards in fiscal year 2024/25.

Service Standard	Goal	Performance	Met Standard?
<b>Claim Responsiveness:</b> Will respond to requests within 14 days	90%	92%	Meets
<b>Claim Responsiveness:</b> Decisions will be communicated within 40 days of receiving a complete application	90%	88%	Did not Meet
<b>Claim Payment:</b> Accurate and timely payment of monthly benefit within 30 days of eligibility	90%	95%	Meets

On October 1, 2025, the BC PSA and Canada Life Assurance Company entered into a new contract with the Canada Life Assurance Company for up to five years. The new contract seeks to address service standards, including claims responsiveness.

## LTD Claims Trends

### Claims by Diagnosis

For the last four years, the LTD Plan has seen mental health conditions as the leading diagnostic category associated with accepted LTD claims at approximately half of all accepted claims.

Accepted Claims by Diagnosis	2024/25	2023/24	2022/23	2021/22
<b>Mental Health Conditions</b>	46%	45%	51%	49%
<b>Cancer &amp; Neoplasm</b>	14%	12%	11%	10%
<b>Musculoskeletal and Connective Tissue</b>	11%	15%	12%	12%
<b>Accidents &amp; Injury</b>	8%	10%	9%	11%
<b>Nervous System &amp; Sensory Organs</b>	6%	5%	5%	5%
<b>All Other Diagnoses</b>	15%	13%	12%	13%

### Resolved Claims

LTD claims are resolved (LTD benefits are no longer payable and claim is closed) for a number of reasons, including return to work, retirement, and death. The BC PSA dedicates resources, particularly in rehabilitation, towards achieving a successful return to work rate.

In 2024/25, 592 claims were resolved, of which 66% were determined as recovered (returned/expected to work or no longer satisfied the definition of disability).

Resolved Claim Reason*	2024/25	2023/24	2022/23	2021/22
<b>Recovered</b>	66%	66%	64%	67%
<b>Maximum Age Reached</b>	13%	11%	6%	14%
<b>Deceased</b>	6%	4%	5%	4%
<b>Retired</b>	14%	16%	25%	14%
<b>Other</b>	1%	2%	1%	1%

\*Totals may not equal 100% due to rounding calculation

## LTD Early Retirement Incentive Plan

The Early Retirement Incentive Plan (ERIP) is a voluntary early retirement option offered by the PSA to eligible employees who are receiving LTD benefits in the “Totally Disabled Any Occupation” coverage period and meet the following criteria:

- 55 or older (age 50 for correctional facilities employees)
- LTD claim meets a financial formula based on actuarial data that results in savings to the LTD Plan
- A member of the Public Service Pension Plan
- A member of a participating union/association, with applicable provisions in their collective agreement or an eligible excluded employee group of the BC Public Service.

Eligibility is determined by the PSA and employees who are eligible for ERIP will receive an invitation to apply. The application period is from June 1<sup>st</sup> to August 31<sup>st</sup> annually. Employees who participate in ERIP receive a one-time lump sum payment that is equal to 6 months of their base salary on the last day of their Short-Term Illness and Injury Plan period.

In the last 4 years the ERIP has resulted in 132 employees accepting an ERIP offer and a reduction in actuarial liability of \$18.3 million to the LTD Plan.

In 2024/25, the PSA conducted a review of ERIP materials and updated content on the Careers & MyHR website, information package, and offer letters to ensure eligible employees are provided clearer information and potential benefits of the ERIP to make an informed decision.

## Participating Organizations

The following is a list of employers participating in the British Columbia Public Service Long Term Disability Plan:

- BC Public Service
- BC Emergency Health Services
- BC Energy Regulator
- BC Excluded Employee's Association
- BC Ferry Services Inc
- BC Human Rights Tribunal
- BC Infrastructure Benefits (BCIB)
- BC Investment Management Corporation
- BC Labour Relations Board
- BC Pension Corporation
- BC Securities Commission
- BC Treaty Commission
- BC Utilities Commission
- Community Living BC
- Constituency Assistants
- Consumer Protection BC
- Destination BC
- Elections BC
- Environmental Appeal Board (staff also support the Forest Appeals Commission)
- First Peoples' Cultural Foundation
- Forest Appeals Commission (staff also support the Environmental Appeal Board)
- Forest Practices Board
- Freshwater Fisheries Society
- Habitat Conservation Trust Foundation
- InBC Investment Corp
- Infrastructure BC Inc.
- Innovate BC
- Islands Trust
- Judges and Associate Judges of the Supreme Court of BC
- Legislative Assembly (Caucus)
- Liquor Distribution Branch
- Office of the Auditor General
- Office of the Conflict of Interest Commissioner
- Office of the Human Rights Commissioner (OHRC)
- Office of the Information and Privacy Commissioner
- Office of the Merit Commissioner
- Office of the Ombudsperson (provides service to Police Complaints Commissioner; Office of the Info and Privacy Commissioner; and the Lobbyist Registrar)
- Office of the Police Complaint Commissioner
- Office of the Representative for Children and Youth
- Professional Employees Association
- Royal BC Museum
- Transportation Investment Corporation (TI Corp.)
- Workers' Compensation Appeal Tribunal

## FOR MORE INFORMATION CONTACT:

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BC Public Service Agency  
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Victoria, BC V8W 9V1

[CorporateHealthPrograms@gov.bc.ca](mailto:CorporateHealthPrograms@gov.bc.ca)

Toll free 1-877-277-0772

LTD Website:

<https://www2.gov.bc.ca/gov/content/careers-myhr/all-employees/leave-time-off/sick-leave/long-term-disability>



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