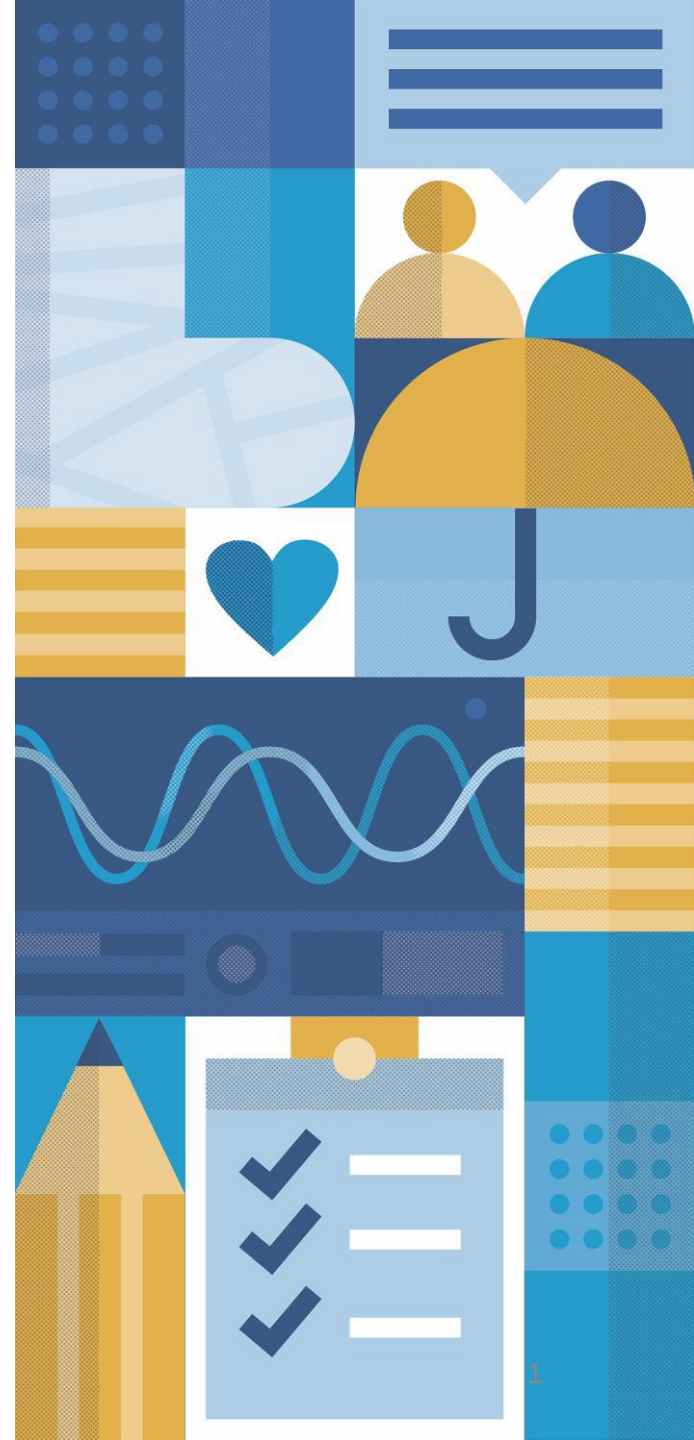


# Long Term Disability Plan

Annual Report 2021-2022

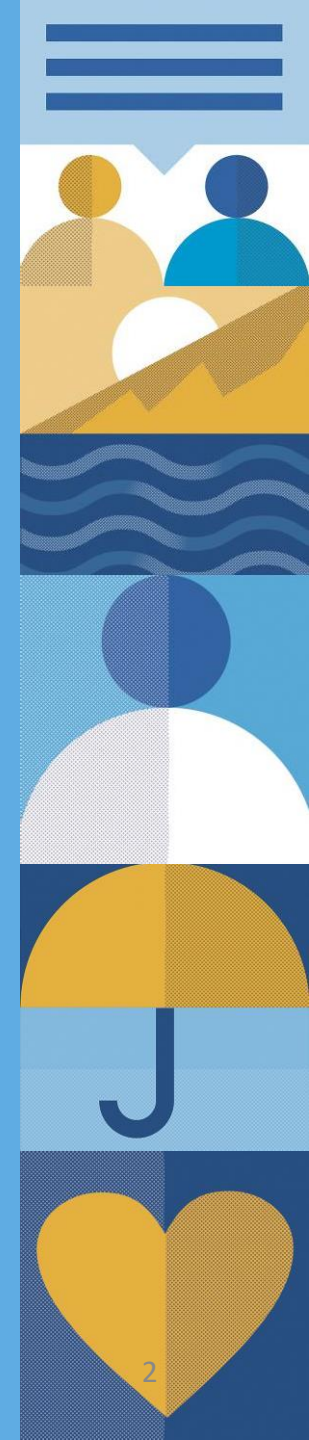


Where ideas work



# Contents

- Executive Message from Bobbi Sadler, Deputy Minister, BC Public Service Agency
- How the Plan Works
- Long Term Disability Plan: Governance
- Data Summary – 2021/22
- Claims Information by Diagnosis Category
- Service Standards Analysis
- Recommendations and Next Steps
- Participating Employers



# Bobbi Sadler, Deputy Minister, BC Public Service Agency



As Deputy Minister and Head of the BC Public Service Agency (PSA), I have a high-level view of public sector work-disability performance, the services and programs delivered by the PSA, and the positive impact that comes from collaboration between stakeholders and an employer focused on building a health and safety oriented culture.

The performance of the Long Term Disability (LTD) Plan tells us a great deal about the effectiveness and impact workplace safety management and the wellbeing programs and services offered to Public Service employees. The past year has continued to confront us with unfamiliar and difficult new challenges that underscore the importance of these. Continuing the trend from the previous year, analysis of the plan shows that mental health continues to be a major area in which we need to support our employees.

Some of the key observations from this year's plan performance review:

- The number of new LTD claims and the total active claims are lower in this reporting period. The new claim rate is also better than in other similar organizations.
- Rehabilitation opportunities can mitigate plan liabilities. Rehabilitative employment returned to typical levels. The temporary increase in rehabilitative opportunities seen last year may be related to broader work from home options during the pandemic.
- Changes to WorkSafeBC regulations impacted both short term and long term disability costs. The latter could be seen with a rise to WSBC related offsets to the LTD Plan.



As a reflection of the continuous efforts of the Workplace Health and Safety division and the Financial Management Services branch supporting the PSA, I am pleased to provide you with this 2021/22 Long Term Disability Plan Annual Report.

# How the Plan Works



## STIIP

Employee reports their illness or injury to their supervisor.

Supervisor obtains information from employee to determine and approve eligibility for STIIP benefits. Maximum length for STIIP benefits is six months.

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.

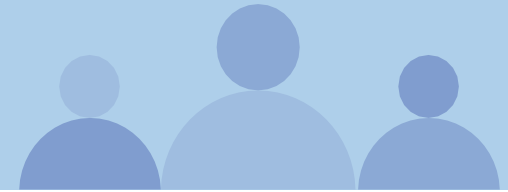
Employee continues to fully participate in their treatment plan and works with their supervisor and disability case management team on return to work planning options.

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.

# Long Term Disability Plan: Governance



**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 10). As of March 31, 2022, there were approximately 38786 regular employee members covered by the plan. This is a decrease of 354 members from March 31, 2021.**

The Long Term Disability (LTD) plan is 100 percent funded by the participating employers. Because the LTD plan for the Province of BC is self insured, the BC Public Service Agency has adopted practices to minimize risks. These measures include continuous funding, establishing policies for funding and rate-setting, and signing agreements with participating employers.

## GOVERNANCE

Members' LTD benefits are established under the *Public Service Benefits Plan Act* and the *Long Term Disability Plan Regulation*. The Regulation outlines 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 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 of the BC Public Service Agency relies on several policies to govern the plan.

These policies include, but are not limited to:

**LTD PLAN INVESTMENT POLICY:** The BC 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 set at six percent during the term of this reporting period.

**LTD PLAN FUNDING AND RATE SETTING POLICY:** Uses actuarial valuation assessments to establish funding objectives and guidelines to adequately fund all payment obligations. Sets future rates that minimize large variations in contribution year to year. Ensures 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.

# Data Summary – 2021/22



## Financial Summary

Claims administration of the LTD plan is provided by the BC Public Service Agency's Workplace Health and Safety division, in conjunction with claims adjudication and claims paying agent services that have been contracted from The Canada Life Assurance Company. Please note that this table is derived from the Canada Life Period Summary Report.

	2021/22	DESCRIPTION
Gross Benefit	\$69.0M	Total gross benefit payable on any claims open during the fiscal year.
Rehab Offsets	\$1.6M	Total deducted from the benefit for rehabilitative employment trials.
Offsets	\$18.0M	Total deducted from the benefit including other sources of income such as Canada Pension Plan, WorkSafe BC, etc.
Net Benefit	\$49.4M	The net benefit payable for the fiscal year.

## Claims Summary

The new accepted claim totals below had an LTD benefit start date within the corresponding fiscal year.

	2017/18	2018/19	2019/20	2020/21	2021/22
New Accepted Claims as of March 31	529	494	492	442	457
Approximate Plan Members	33,643	35,419	38,200	39,140	38,786

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

# Data Summary - 2021/22 (continued)



## Performance

PLAN PARTICIPATION AND COMPARISON	2017/18	2018/19	2019/20	2020/21	2021/22
Active Claims as of April 1, 2021	1831	1920	1893	1863	1818
Approved	547	507	518	450	479
Re-opened	82	56	86	94	77
Resolved	540	590	634	589	585
Active Claims as of March 31, 2022	1920	1893	1863	1818	1789

Source: Canada Life Period Summary

- Despite a rising number of plan participants, total active claims decreased reflecting improved disability management in the short term disability period.
- Wage loss costs relieved by rehabilitative work were reduced by nearly half compared to the previous year, returning to the average levels seen in the 2018-19 reporting periods

# Claims information by diagnosis category

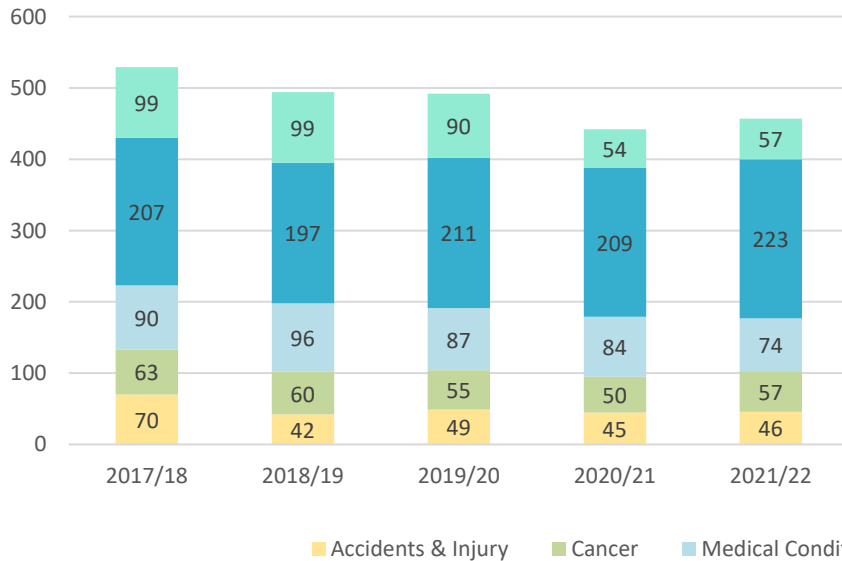


## Claims Information

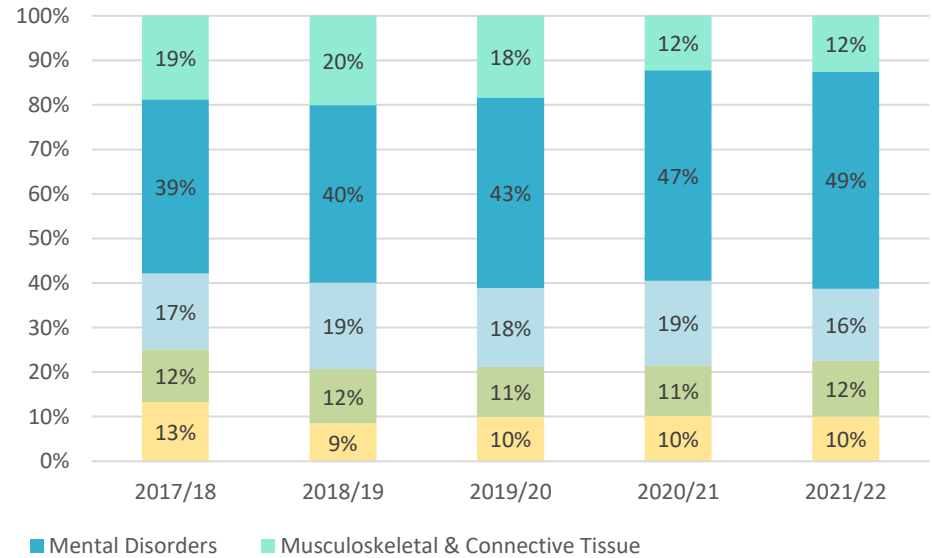
Half of new claims listed mental disorders as the primary diagnosis. Mental disorders have been the leading diagnostic category for many years and are increasing as a percentage of both claims and paid costs. The top mental health-related disorders are depression, anxiety and adjustment reactions.

Musculoskeletal conditions are down from prior years. Musculoskeletal claims (spinal disorders, osteoarthritis, and fibromyalgia) are the second-ranked cause of LTD claims and total costs.

Number of New Accepted LTD Claims by Diagnosis Category



Percentage of New Accepted LTD Claims by Diagnosis Category





# Service Standards Analysis



## Service Provider Scorecard

The service provider contract with Canada Life Assurance Company contains customer-centric service standards. The information below illustrates the continued efforts to meet these high standards and indicates how these goals were met in 2021/22.

SERVICE STANDARD	GOAL	ACHIEVED	MET STANDARD
<b>Claim responsiveness:</b> Will respond to requests within 14 days.	90%	79.5%	Missed Target*
<b>Claim responsiveness:</b> Decisions will be communicated within 40 days of receiving a complete application	90%	100%	Exceeds
<b>Claim payment:</b> Accurate and timely payment of monthly benefit Within 30 days of eligibility	90%	96%	Exceeds

\*Canada Life has redesigned the case intake process to address this standard.

In addition to challenging service standards, effectiveness is measured through annual audits.

SERVICE STANDARD	GOAL	ACHIEVED	MET STANDARD
<b>Overall claims management:</b> Annual audit of 25 claims to confirm accuracy, quality responsiveness and correct decision making.	100%	100%	Met Target
<b>Financial claims management:</b> Annual audit of 10% of all claims to confirm accuracy and timeliness of LTD payments.	100%	100%	Met Target

# Recommendations and Next Steps



The LTD plan continues to perform according to the standards set out by the Public Service Agency. Even so, the data presented in this report is intended to be a driver for future change: we encourage you to think about how emerging trends will influence the continuing improvement of workplace health and safety trends.

It is important for organizations to review and be able to interpret the data available to them related to short term illness. The provision of easily accessible online dashboards for STIIP, LTD and WorkSafeBC data allows ministries to find and plan based on this data in a more succinct and effective way.

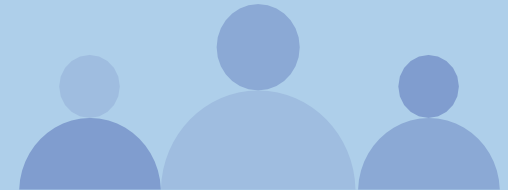
The sustained importance of workforce mental health will be a high priority for health and well-being related planning in the coming year. Employees who feel supported in their workplace and by their supervisors will be able to perform at their best, resulting in less time away from work and continuing to contribute to a positive, healthy, productive Public Service culture.

Supervisors are more than ever encouraged to make support available for their employees who may be returning to work from illness or injury, including offering modified duties where applicable. More information about modified duties and how to implement them in your workplace is available at Careers & MyHR.

Employees' mental health and well-being benefit demonstrably from gradual, actively managed reintroduction to their work duties over time. More support during return to work also limits the potential effects of negative psychological health and safety factors that can influence long term disability costs.

Our organizational focus should continue to be on active management of absences, regardless of their categorization as Short Term Injury, Long Term Disability or WorkSafeBC claims.

# Participating Employers



- Auditor General of BC
- BC Excluded Employees' Association
- BC Ferries
- BC Infrastructure Benefits
- 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
- Consumer Protection BC
- Destination BC
- Elections BC
- First Peoples' Cultural Council
- Forest Practices Board
- Freshwater Fisheries Society of BC
- Government House
- Habitat Conservation Trust Society
- InBC Investment Corp.
- Infrastructure BC
- Innovate BC
- Islands Trust
- Labour Relations Board
- Legislative Assembly of BC
- Liquor Distribution Branch
- Office of the Auditor General of BC
- Office of the Conflict of Interest Commissioner
- Office of the Human Rights Commissioner
- Office of the Information and Privacy Commissioner
- Office of the Merit Commissioner
- Office of the Ombudsperson of BC
- Office of the Police Complaint Commissioner of BC
- Professional Employees Association
- Representative for Children and Youth
- Royal BC Museum
- Transportation Investment Corporation
- Workers' Compensation Appeal Tribunal

**FOR MORE INFORMATION CONTACT:**

AskMyHR: [www.gov.bc.ca/myhr/contact](http://www.gov.bc.ca/myhr/contact)

Workplace Health and Safety  
BC Public Service Agency  
810 Blanshard Street  
Victoria, BC  
V8W 2H2

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

250.952.6000  
Toll free 1.877.277.0772



Where ideas work

