

The purpose of this communication is to provide our less than twelve-month employees with guidance on the *new* short-term disability benefit payment process effective August 18, 2008. Over the course of the past year, the Statewide Benefits Office was advised by several school districts of the inequity of short-term disability benefit payments between less than 12-month and 12-month school district employees. The underpayment is occurring because all employees are viewed as 26-pay employees for the purpose of calculating the short-term disability benefit. An example of the previous short-term disability benefit payment process is shown below:

Current Process

annual salary/26 pays/10 days = daily rate  
daily rate x 75% x number of short-term disability days = total short-term disability benefit payment  
annual salary: \$50,000  
short-term disability benefit period: 20 days (after the elimination period)  
\$50,000/26 pays/10 days: \$192.30 daily rate  
\$192.30 x 75% x 20 days: \$2,884.50 total short-term disability payment

In the example above, the less than 12-month school district employee would receive a total short-term disability benefit payment of \$2,884.50. Effective August 18, 2008, the new short-term disability benefit payment process will pay less than 12-month employees a 75% per diem short-term disability benefit payment. If, for example, the same employee referenced above were to be approved by The Hartford for the same period of time in the upcoming school year, the less than 12-month employee would receive an additional \$1,104.90 in short-term disability benefits using the following *new* short-term disability benefit paying process:

New Process effective August 18, 2008

contractual salary/ contracted days = daily rate  
(calculation below uses 188 contracted days)  
daily rate x 75% x number of short-term disability work days = total short-term disability benefit payment

Example

annual salary: \$50,000  
short-term disability benefit period: 20 work days (after the elimination period)  
\$50,000/188 days: \$265.96 daily rate  
\$265.96 x 75% x 20 days: \$3,989.40

**Increased short-term disability benefit to the employee: \$1,104.90**

- To satisfy the requirements of §5253 (b) (6) of the Delaware Code, the employee will not receive short-term disability benefits for any period outside of the contracted period. This includes but is not limited to the December holiday break, spring break and the summer recess.
- The elimination period must commence and conclude within normal working periods for employees who work less than 12 months per calendar year.