



Subsidies due to disability

*Negotiated long-term
disability, medical &
life insurance*

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This booklet has been designed as a resource for administering the MESSA insurance premium subsidies an employee may be eligible for when they become disabled and are unable to work.

This booklet contains information and guidelines for the following:

Negotiated long-term disability premium subsidy. The employee's long-term disability insurance premium may be waived once the benefit has been approved and the waiting period has been satisfied.

Medical insurance premium subsidy. The employee's medical insurance premium may be waived once the benefit has been approved and the waiting period has been satisfied.

Life insurance premium subsidy. The employee's negotiated and optional life insurance premiums may be waived based on the approval of the Life Insurance Company of North America.

For more information regarding MESSA's insurance premium subsidies, please refer to your MESSA LTD and Life and AD&D certificate booklets, or contact MESSA Group Services at 888.888.4167, ext. 2988.



Negotiated long-term disability premium subsidy

When an employee who has the MESSA negotiated long-term disability (LTD) premium subsidy benefit becomes disabled and begins receiving disability payments, MESSA will waive the monthly premium for the negotiated LTD once the employee has satisfied the benefit waiting period.

LTD waiver of premium begins

If an employee becomes disabled and is eligible for LTD benefits, MESSA initiates the negotiated LTD waiver of premium. There is no action needed on the part of the employer to institute this waiver benefit.

- The negotiated LTD waiver of premium becomes effective the first of the month in which the employee has satisfied the LTD benefit waiting period.
- The employer will be notified of the effective date and the amount of the premium that will be adjusted on the next invoice.

LTD waiver of premium ends

The negotiated LTD waiver of premium ends when the employee is no longer eligible for long-term disability benefits. Provided the employee is enrolled in employer-sponsored benefits, MESSA will reinstate billing for the negotiated LTD premium on the next invoice. MESSA will send a letter to the employer indicating the monthly LTD premium amount and effective date.

When MESSA disability payments end, if the employee is not enrolled in employer-sponsored benefits, MESSA requires a member application or enrollment in the online enrollment system to reinstate benefits.



MESSA medical insurance premium subsidy

When an employee who has MESSA medical insurance becomes disabled and begins receiving disability payments, MESSA will waive the cost of MESSA medical insurance once the benefit waiting period under LTD is satisfied and the employer has met their contractual obligation to provide benefits to the employee. This important feature is available for employees enrolled in a negotiated LTD program. Without a medical insurance premium subsidy benefit, the disabled employee may have to pay their own medical premium.

The MESSA medical insurance premium subsidy does not include dental or vision coverage.

An eligible employee will continue with their current medical plan and family status unless their former employer cancels or changes their MESSA medical coverage. If the member's former employer discontinues or changes MESSA medical coverage, the member's medical subsidy will end or change as of the effective date of the medical plan change. In cases where plan choice is available, the member will remain on the current medical plan and will not be allowed a choice.

Period of coverage

Under age 69

MESSA's medical insurance premium subsidy benefit offers individuals the ability to continue their medical insurance for up to 24 months. The 24 months begins on the first of the month in which the employee received their first disability payment.

The employee is only allowed a total of 24 months of the medical insurance premium subsidy. If the employee exhausts all of the 24-month allotment, the medical insurance premium subsidy will be canceled **even if the employee continues receiving disability payments.**

Age 69 and over

MESSA's medical insurance premium benefit offers individuals age 69 and over the ability to continue their medical insurance for up to 12 months. The 12 months begins on the first of the month in which the employee receives their first disability payment.

The employee is only allowed a total of 12 months of the medical subsidy. If the employee exhausts all of the 12-month allotment, the medical subsidy will be canceled **even if the employee continues receiving disability payments.**

Determination of eligibility

A MESSA member is entitled to the medical insurance premium subsidy under the following conditions:

- The employee continuously receives MESSA disability payments.
- The employee remains ineligible for employer-paid medical premiums.
- The employee is not eligible to receive medical benefits under Michigan Public School Employees' Retirement System (MPSERS).
- Your employer and group currently has MESSA medical coverage.

How is the MESSA medical insurance premium subsidy implemented?

- The employer submits to MESSA, via a member cancellation request, the date the employee is no longer covered by the employer's insurance or as indicated in the online enrollment system.
- MESSA will cancel the benefits provided by the employer.
- If at the time of cancellation the employee is eligible for disability payments, MESSA will enroll the employee in the medical subsidy.
- The employee will receive an approval of medical subsidy letter from MESSA.

When do subsidy benefits end?

- When the employee's medical insurance premium subsidy ends or if the employee stops receiving disability payments, MESSA will send the employee a letter informing them of the expiration of the medical subsidy. This letter explains the options for continuing their medical plan.
- When your employer or group cancels or ends MESSA medical coverage.

Life insurance premium subsidy

Optional and negotiated life insurance premiums may be waived when the employee has been continuously disabled for six months.

In order to be eligible for the waiver of premium for optional life insurance benefits such as supplemental term life insurance and survivor income insurance, the MESSA member must be under the age of 65 when they become disabled.

In order to be eligible for the waiver of premium for negotiated life insurance, the member must have become disabled before the age of 60.

For a complete and extensive description, please refer to your life insurance plan summary booklet. Please contact MESSA Group Services at 888.888.4167, ext. 7919 for a copy of the booklet.

How is the life insurance premium waiver implemented?

After four months of disability, MESSA begins the process by sending the Life Insurance Company of North America (LINA) waiver of life insurance premium claim form to the employee. The employee must complete the following steps in order to qualify for a life insurance waiver of premium:

- The employee must fill out the claim form and return it directly to LINA.
- The employee must submit the employer portion of the form to the employer. The employer is required to complete the employer section of the LINA form and return it directly to LINA.
- The employee must submit the physician portion of the form to their physician for completion and return the completed form to LINA.

LINA will send notification of approval or denial of waiver of life premiums to the employee, with a copy to MESSA.

If employee is approved for a life insurance premium waiver

MESSA will waive the monthly life insurance premium beginning the first day of the month in which the waiver of life premium was approved by LINA. If the employee is still enrolled in life insurance on the employer's account, MESSA will send a copy of the approval letter to the employer.



Note: If the employee is enrolled in a non-MESSA disability policy, it is the employee's responsibility to notify MESSA when they have been continuously disabled for six months.

When MESSA disability benefits end

Employer responsibilities

COBRA and/or Family and Medical Leave Act (FMLA). Please consult with legal counsel regarding COBRA or FMLA obligations as an employer.

If employee returns to work

In the event an employee is no longer eligible for disability benefits and returns to work, the employer must then submit a new member application for benefits or enroll the member in the online enrollment system. The application or online enrollment system should indicate Rehire/Reinstate, as well as the date the employee returned to work. MESSA will not automatically reinstate the employee's medical coverage when the medical subsidy ends.

If employee becomes disabled after returning to work

If an individual has returned to work and then becomes disabled due to the same or related condition (as determined by the MESSA Disability Department), the employee is entitled to the balance of the remaining medical insurance premium subsidy allotment from the original claim.

If employee does not return to work when disability ends

If the employee is no longer eligible for disability benefits and does not return to work, they may be entitled to COBRA.





Subsidies due to disability

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