

STATEWIDE BENEFITS OFFICE PROCEDURE

EXTERNAL

NUMBER:	DIP-003
TITLE:	DIP – STD Initial Account Balance Report
POLICY:	DIP – Interpretation of STD Initial Account Balance Reports
DEFINITIONS:	<p>The Hartford – Administrator</p> <p>Claimant - Current or former STD beneficiary awarded benefits by The Hartford and/or the Appeals Administrator from the Statewide Benefits Office and/or the Hearing Officer from the Office of Management and Budget and/or the Committee.</p> <p>Committee – State Employee Benefits Committee</p> <p>Coverage Certification Form – An enabled PDF form posted on the Statewide Benefits Office Secure Benefits Representative website used to provide The Hartford with <i>additional</i> information needed to process STD claims.</p> <p>DIP – Disability Insurance Program</p> <p>Employee – Person hired on or after January 1, 2006 into a position covered by the Delaware State Employees’ Pension Plan pursuant to 29 Del. C. Chapter 55 of the Delaware Code who are actively at work for one full day on or after January 1, 2006. Includes retired Delaware State Troopers who are employed in a position covered by the Delaware State Employees’ Pension Plan as of July 1, 2008 and employees vested as of December 31, 2005 in the Delaware State Employees’ Pension Plan who elected enrollment into the DIP on or before December 15, 2005. This was an irrevocable one-time election.</p> <p>Employing Organizations – the State; Department of Education; all school districts, University of Delaware (excluding faculty and staff not part of the Delaware State Employee’s Pension Plan), Delaware State University, Delaware Solid Waste Authority, Office of Discipline Council, Prothonotary’s Office and/or a State agency supported in whole or part by Federal funds granted to the State.</p> <p>EOB – Explanation of Benefits Statement</p> <p>LTD – Long Term Disability</p>

Other Income Benefits - means the amount of any benefit for loss of income, provided to the employee or to the employee's family, as a result of the period of Disability for which the employee is claiming STD benefits. This includes any such benefits for which the employee or the employee's family are eligible, or that are paid to the employee, the employee's family, or to a third party on the employee's behalf. This includes the amount of any benefit for loss of income from:

1. the United States Social Security Act, the Civil Service Retirement System, the Railroad Retirement Act, the Jones Act, the Canada Pension Plan, the Quebec Pension Plan or similar plan or act that the employee, employee's spouse, or children are eligible to receive because of the employee's disability;
2. any plan or arrangement of coverage, whether insured or not, as a result of employment by or association with the State of Delaware, or as a result of membership in or association with any group, association, union or other organization;
3. the Veteran's Administration or any other foreign or domestic governmental agency for the same disability;
4. any governmental law or program that provides disability or unemployment benefits as a result of the employee's job with the State of Delaware;
5. individual insurance policy where the premium is wholly or partially paid by the Employer;
6. any temporary or permanent disability benefits under a workers' compensation law, occupational disease law, or similar law;
7. compulsory "no-fault" automobile insurance; or
8. the portion of a settlement or judgment, minus associated costs, of a lawsuit that represents or compensates for the employee's loss of earnings for the same disability.

SSN – Social Security Number

STD – Short Term Disability

STD Beneficiary – Current or former employee awarded STD benefits by The Hartford and/or the Appeals Administrator from the Statewide Benefits Office and/or the Hearing Officer from the Office of Management and Budget and/or the Committee.

PROCEDURE:	Processing STD Initial Account Balance Reports to Recoup STD Overpayments or Pay Additional STD Benefits
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PRIMARY RESPONSIBILITY:	Benefit and Payroll Representatives	
FREQUENCY:	On-going: Monthly: Quarterly: Annually:	Ongoing
REFERENCES:	29 Del.C. §5253(b)(1) – Delaware Code 29 Del.C §5943(h) – Delaware Code Disability Insurance Program Rules & Regulations Frequently Asked Questions – Section 2.0 STD Benefits	
REVISION(S) WITH APPROVAL:		

Background and Purpose:

The STD program pays claimants *up* to 75% of base annual salary including hazardous duty pay, if applicable, reduced by “Other Income Benefits” (i.e., Workers Compensation, Auto Insurance, etc.). STD benefits are wage payments. Other Income Benefits awarded *prospectively* or *retroactively* offset the STD benefits paid to a claimant; and, the offset amount of STD must be recouped and refunded to the DIP Funding line by the current or former employing organization. The STD Initial Account Balance Report was created to provide employing organizations with notice of Other Income Benefit awards and/or additional STD benefits due on current and/or former STD claimants.

29 Del.C. §5943(h) of the Delaware Code reads:

“No action for reimbursement of wages, benefits or both, improperly paid to a state employee shall be brought after the expiration of 3 years from the date the wages, benefits or both were improperly paid.”

Disability benefits are considered properly paid *until* the employee or former employee receives Other Income Benefits. The start of the 3-year period referenced in 29 Del.C. §5943(h) begins upon receipt of the emailed STD Initial Account Balance Report from the Administrator.

The purpose of this procedure is to provide guidance on how to interpret information on the STD Initial Account Balance Report so **overpaid** STD amounts can be immediately collected and returned to the Pension Office via the PHRST system or other accepted payroll process or **underpaid** STD amounts can be immediately paid to the claimant. A sample STD Initial Account Balance Report is attached to this procedure for reference. For policies and procedures associated with the collection of wage overpayments, please refer to the Division of Accounting Payroll Compliance Group (PCG) website:

http://accounting.delaware.gov/payroll_comp/policies.shtml.

All questions regarding the payroll repayment process should be directed to the PCG at (302) 672-5517. Questions regarding data entry in the PHRST system should be directed to the PHRST Help Desk at (302) 739-8066.

Procedure:

The issuance and emailed distribution of an STD Initial Account Balance Report is automatic once The Hartford is notified by the employing organization and/or the Statewide Benefits Office and/or the Insurance Coverage Office and/or the United States Social Security Administration of a change to the STD beneficiaries claim and/or a current or retroactive award from another program (Other Income Benefits). Please follow the instructions below to interpret the data on the STD Initial Account Balance Report:

1. SSN. As the State of Delaware no longer provides The Hartford with employee Social Security numbers, this category will be pre-filled with nine "x's".
2. EMPLOYEE ID. This number will be populated by The Hartford with the claimant's "Unique ID". The first 6 digits are the claimant's ID number in PHRST and the remaining 6 digits are the claimant's ID number in the Office of Pensions' CRIS system. For Delaware Solid Waste Authority (DSWA) employees, the employee ID number will consist of their 9 digit ADP Empl ID number plus the Empl ID number in the Office of Pensions' CRIS system. For University of Delaware employees, the unique identifier will consist of the claimant's 5 or 9 digit UD Empl ID number plus the claimant's ID number in the Office of Pensions' CRIS system.
3. INSURED ID. This pre-populated number is created by The Hartford to represent the number assigned to the claimant's STD and/or LTD claim in The Hartford's systems. This number is also displayed on the emailed Coverage Certification form and the Explanation of Benefits (EOB) statements. The Insured ID number will remain unchanged as claimants may submit multiple claims.
4. CLAIMANT NAME. The name of the employee identified as being underpaid or overpaid is populated in this field. The spelling of the employee's name will match what is used in PHRST or other payroll system. Occasional isolated situations may occur where the claimant's name changed (i.e., marriage, divorce, etc.) however the name in The Hartford's system is not immediately changed. Although a claimant's name may change, the assigned Insured ID number in The Hartford's system will remain unchanged.
5. O/P BALANCE. "O/P" means "overpayment". Although the "Net" and "Gross" fields may both be populated, always use the "Gross" figure as the correct overpayment amount. The gross amount on the STD Initial Account Balance report correlates directly with the "Net Benefit Amount" issued on the employee's Explanation of Benefits (EOB) statement. Note: As the State does not provide employee tax information to The Hartford, the difference between the "Gross" and "Net" amounts is a system default number that is not accurate but cannot be hidden.

6. U/P BALANCE. "U/P" means "underpayment". As indicated above, the "Net" and "Gross" fields may both be populated however always use the "Gross" figure as the correct underpayment amount as this figure correlates with the "Net Benefit Amount" issued on the employee's Explanation of Benefits (EOB) statements. Underpaid amounts should immediately be paid to the employee.
7. OASD Amount. Any amount listed in this section should be ignored. The State of Delaware does not provide employee tax information to The Hartford. Amounts that may appear in this section are Hartford system default amounts.
8. MEDICARE AMOUNT. Any amount listed in this section should be ignored. The State of Delaware does not provide employee tax information to The Hartford. Amounts that appear in this section are Hartford system default amounts.
9. RECALC PERIOD. The "From" and "Thru" dates listed in these fields are the dates "Other Income Benefits" awarded coincide and/or are concurrent with the claimant's STD approval dates.
10. RECALC REASON. Provides the employing organization with the specific reason for the issuance of the STD Initial Account Balance Report using the "Recalculation Reasons" codes on the chart below.

Recalculation Reasons	Explanation
Approved In Error	Claim approved in error. Example: Member returned to work before 31 st calendar day of disability.
Mnl- Acct Bal Created by Prod Support	Account Balance created manually.
BenPd- AED Change	Approval period adjusted after payment issued.
BenPd- BenEffDt Change	Benefit start date adjusted. Example: Recurrent period during the elimination period requires benefit start date change.
OIB- SS- PSSD Award	Social Security Disability award.
OIB- SS- PSSD Estimate	Estimated Social Security Disability award.
OIB- SS- PSSR Award	Social Security Retirement award.
OIB- SS- PSSR Estimate	Estimated Social Security Retirement.
OIB- SS- DSSD Award	Dependent Social Security Disability award.
OIB- SS- DSSD Estimate	Estimated Dependent Social Security Disability.
OIB- SS- DSSR Award	Dependent Social Security Retirement award.
OIB- SS- DSSR Estimate	Estimated Dependent Social Security Retirement award.
OIB- rtw-DAW	Disabled and Working – Offset due to part-time return to work.
OIB- rtw-ZERO	Offset code used for non-payment periods for “less than 12 month employees”.
OIB- rtw-RESID	Residual – Offset due to part-time return to work.
OIB- rtw-PART	Partial – Offset due to part-time return to work.
OIB- wc- WC1	Worker’s Compensation award.
OIB- wc- WC2	Worker’s Compensation award.
OIB- othr-OTHR1	Offset for other income not captured by another reason code.
OIB- othr-OTHR2	Offset for other income not captured by another reason code.
OIB- othr-NOFLT	Personal Injury Protection/No Fault benefit award.
OIB- othr-SSI	Supplemental Security Income award.
OIB- othr-LAWST	Third party lawsuit.
OIB- othr-UEMP	Unemployment income.
Bnft- PDE/MRBE/Salary Change	Pre-disability salary adjustment.
Bnft- Group/Class change	Plan class change creating an under or overpayment.
TAX - Taxable %	Taxable percentage change in the claim system.
TAX- OASDI/Medicare	Medicare and/or Social Security tax withholding adjustment.
OTHER- Recalc reason not specified	Recalculation reason used when not otherwise defined in the list.

Occasionally, The Hartford may issue multiple STD Initial Account Balance Reports on the same STD beneficiary for the same period of time. Should this occur, the overpayment or underpayment balance reflected on the initial STD Initial Account Balance Report will not be included in the overpayment or underpayment amount in subsequent reports. Each report will reflect a “distinct” rather than cumulative amount.

The Hartford also provides the Statewide Benefits Office with copies of each individual STD Initial Account Balance Report issued and emailed to the employing organizations. Effective immediately, Martha (Marti) Evans of the Statewide Benefits Office will be tracking the recoupment of STD wage overpayments and appropriately sharing the information with the Division of Accounting and the Office of Pensions. Funding for the Disability Insurance Program comes from Other Employment Cost’s (OEC’s) paid by each organization so it is extremely important that overpaid STD wages are recouped from current, former and/or deceased employees. The STD program is a self-insured income replacement program with benefits (wages) paid directly to employees through PHRST or other payroll system for the University of Delaware and Delaware Solid Waste Authority. Therefore, the responsibility of recouping overpaid STD wages rests with the current and/or former employing organization. As the LTD program is an insured program with benefits paid by The Hartford rather than the employing organizations, The Hartford is responsible for the recoupment of overpaid LTD benefits.

Marti works on Wednesdays, Thursdays and Fridays of each week from 8:00 am through 4:00 pm and can be reached at (302) 739-8331 or by email at martha.evans@state.de.us. Within 2 weeks of receiving an emailed STD Initial Account Balance Report, please provide Marti Evans with the following information:

- Claimant’s name.
- Do you agree with overpayment amount stated on the STD Initial Account Balance Report? If no, please explain.
- Was *correct* STD overpayment amount recouped and refunded to the DIP funding line? If no, please explain.
- Is your organization working with the Division of Accounting to recoup the claimant’s overpaid STD wages?

Subsequent information/data on all claimant recoupments should be reported directly to Marti Evans. Also, STD Initial Account Balance Reports cannot be duplicated by The Hartford but can be requested directly from Marti Evans.

Revised: 06/05/15

Authored: 11/13/14

