



Minnesota  
STATE COLLEGES  
& UNIVERSITIES

## PROCEDURES AND PROCESSING INSTRUCTIONS FOR EMPLOYEES ON MEDICAL LEAVE LEADING TO LONG-TERM DISABILITY LEAVE AND SEPARATION

(Covers all leaves other than workers' compensation related permanent total disability leaves of absence – for these types of leave, see the Workers' Compensation section of the MnSCU HR website)

### Background:

- Employee is unable to work and requests a medical leave of absence. The employee's Human Resources Office must review FMLA eligibility, approve leave requests consistent with the employee's bargaining unit contract or salary plan, administer insurance eligibility and properly code leave status in SCUPPS and SEMA4.

### Processing Instructions for Paid or Unpaid Leaves as Provided Under Union Contracts/Salary Plans:

- If the absence meets FMLA eligibility guidelines and proper documentation has been received from the employee, HR codes the employee in SCUPPS on an FMLA leave of absence, either paid or unpaid.
  - If the FMLA absence is to be paid, employee continues in paid status while utilizing his/her sick leave to the extent of the available balance. If employee desires, he/she may also use accrued vacation/personal leave to the extent of the available balance. Note: Comp time may also be used to extend paid time but will not count toward the 12 weeks of FMLA (see FMLA guidelines).
  - Once paid FMLA leave has been exhausted, the employee may continue on a paid medical leave of absence using their accrued sick, vacation, personal or comp time leave until their balances are exhausted. Employees are not required to exhaust their vacation, personal, or comp time leave balances. Coding in SCUPPS must be changed from an FMLA leave to reflect a leave of absence appropriate to the individual's bargaining unit agreement.
- If the absence is not eligible for FMLA leave, or the maximum duration of the FMLA leave has been reached, HR codes the employee in SCUPPS on either an unpaid or paid leave of absence appropriate to the individual's bargaining unit agreement.
- Once an employee has exhausted all paid sick leave, and optional vacation, comp time or personal leave, he/she shall be placed on an unpaid leave for the length of time authorized under the individual's bargaining unit agreement or

salary plan. Coding in SCUPPS and SEMA4 must reflect an unpaid leave of absence appropriate to the individual's bargaining unit agreement or salary plan. Unless an extension is approved by the Appointing Authority, an unpaid leave of absence cannot exceed one (1) year. Any extensions of these leaves of absence beyond one year is discretionary – **there is no longer any requirement that an employee must be retained on a leave of absence until the employee reaches age 65 for any non-workers' compensation related leave of absence.**

- **Note:** *If after one year of unpaid leave of absence, the employee is unable to return to work, and he/she does not have a permanent and total disability determination as defined below, check with MnSCU Labor Relations on how to proceed with either an extension of the leave of absence or a termination.*

### **Permanent and Total Disability Determination:**

- Employee informs HR via medical documentation that he/she is permanently and totally disabled and will not be able to return to work.
- Either the employee or the employee's defined benefit retirement plan (example: MSRS, TRA, PERA) informs HR that the employee has been approved for a permanent and total disability annuity. Normally this occurs approximately six months after a permanently disabling condition has been determined.
  - There is no longer any requirement for employees covered by MSRS that they exhaust their vacation leave balances before being approved for a disability annuity.
  - PERA covered employees must exhaust their vacation balances before they are eligible to receive a disability annuity. The employee's vacation must be paid as an adjustment to prior pay periods immediately following the last paid time. This cannot be paid as a lump sum payout.
- If the employee is covered by IRAP or the MSRS Unclassified Plan for retirement, both of which are defined contribution plans, the employee needs to submit a statement to HR from his/her medical practitioner indicating that he/she is permanently and totally disabled, or they may submit to HR a copy of his/her Social Security Disability Insurance determination.
- If the employee has utilized the mandatory leave provisions of his/her bargaining unit contract or salary plan, there is no requirement to continue renewing the employee's leave. The employee may be separated from state employment.

## Processing Instructions for Permanent and Total Disability Annuity Recipients:

- If the employee is insurance eligible, contact the DOER Employee Insurance Division (EID) to inform them of the timing of the separation transaction so no disruption will occur in the employee's ability to participate in the SEGIP disabled employee group and cause any existing health and dental coverage to terminate at the end of the calendar month in which the separation is processed. The EID must also coordinate a number of other issues with the health and dental plans and contact the life insurance carrier to pursue a waiver of the life insurance premium due to disability. If the employee has allowed his/her insurance coverage to lapse while on leave of absence, no action is necessary.
- Process a separation in SCUPPS with the action/reason code of TER/EDL (End Disability Leave). In addition, pay off any remaining vacation and/or comp time balances. This action/reason allows the separated employee to continue insurance through the disabled employee group for continuation of health and dental insurance. The employee will be able to stay in this insurance group for former employees who are collecting a disability annuity until he/she reaches age 65. When the employee reaches age 65, he/she may stay in the State retiree group health insurance with a Medicare supplement plan, but the employee must have both parts A and B of Medicare to continue. NOTE: As long as the State of Minnesota's Medicare Supplemental Plans are qualified Prescription Drug Coverage Plans, employees do not need to carry Part D of Medicare.
- Send letter to employee explaining they have been terminated from State service. In addition to some of the letter phrases listed below, you will need to individualize any information relating to the person's insurance coverage. Letter phrasing examples:
  - You are currently on a Medical Leave of Absence as specified in the AFSCME collective bargaining agreement in Article 10, Section 4.C. The unpaid medical leave of absence provisions indicate that leaves shall be granted up to one year.
  - An extension of your leave of absence is discretionary on the part of \_\_\_\_\_ college/university. While we initially extended your leave beyond the one year period required in the AFSCME contract, it was based on our expectation that there would be a change in your physical capabilities that would have allowed you to return to work. At this time, you are not expected to be able to return to work at the college/university in your \_\_\_\_\_ position.
  - This letter is to notify you that we are no longer able to continue to extend your medical leave of absence. Therefore, effective 00/00/0000, your leave of absence will be canceled and you will be separated from state service.

- This is to inform you that due to your inability to return to work because of your disability, you have been terminated from employment effective 00/00/0000. We wish to thank you for your service, etc.
- Although I understand your desire to remain an employee of this college/university, there is no benefit for you to do so.
- Your termination from employment will have no effect on your ability to remain with the State of Minnesota Insurance Group. The Department of Employee Relations will continue to communicate with you concerning your insurance coverage.

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