

PUBLIC EMPLOYEES LONG-TERM DISABILITY ACT

AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Susan Duckworth

Senate Sponsor: Karen Mayne

LONG TITLE

General Description:

This bill modifies the Public Employees' Long-Term Disability Act by amending provisions relating to long-term disability benefits.

Highlighted Provisions:

This bill:

- ▶ modifies the circumstances when a monthly long-term disability benefit shall be reduced or reimbursed;
- ▶ requires an eligible employee that is under a total disability to inform the Public Employees' Insurance Program of certain information;
- ▶ provides penalties if an eligible employee knowingly misrepresents or fails to disclose certain information; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

[49-21-402](#), as last amended by Laws of Utah 2013, Chapter 316

ENACTS:

[49-21-409](#), Utah Code Annotated 1953

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Be it enacted by the Legislature of the state of Utah:

Section 1. Section **49-21-402** is amended to read:

49-21-402. Reduction or reimbursement of benefit -- Circumstances --

Application for other benefits required.

(1) A monthly disability benefit may be terminated unless:

(a) the eligible employee is under the ongoing care and treatment of a physician other than the eligible employee; and

(b) the eligible employee provides the information and documentation requested by the office.

(2) The monthly disability benefit shall be reduced or reimbursed by any amount received by, or payable to, the eligible employee from the following sources for the same period of time during which the eligible employee is entitled to receive a monthly disability benefit:

(a) Social Security disability benefits, including all benefits received by the eligible employee, the eligible employee's spouse, and the eligible employee's children as determined by the Social Security Administration;

(b) workers' compensation indemnity benefits;

(c) any money received by judgment, legal action, or settlement from a third party liable to the employee for the disability;

(d) unemployment compensation benefits;

(e) automobile no-fault, medical payments, or similar insurance payments;

(f) any money received by a judgment, settlement, or other payment as a result of a claim against an employer; ~~and~~

(g) any payments made for sick leave, annual leave, or similar payments~~[-];~~ and

(h) compensation received for employment, including self-employment, except for eligible amounts from approved rehabilitative employment in accordance with Section [49-21-406](#).

58 (3) The monthly disability benefit shall be reduced by any amount in excess of
59 one-third of the eligible employee's regular monthly salary received by, or payable to, the
60 eligible employee from the following sources for the same period of time during which the
61 eligible employee is entitled to receive a monthly disability benefit:

62 (a) any retirement payment earned through or provided by public or private
63 employment; and

64 (b) any disability benefit resulting from the disability for which benefits are being
65 received under this chapter.

66 (4) After the date of disability, cost-of-living increases to any of the benefits listed in
67 Subsection (2) or (3) may not be considered in calculating a reduction to the monthly disability
68 benefit.

69 (5) Any amounts payable to the eligible employee from one or more of the sources
70 under Subsection (2) are considered as amounts received whether or not the amounts were
71 actually received by the eligible employee.

72 (6) (a) An eligible employee shall first apply for all disability benefits from
73 governmental entities under Subsection (2) to which the eligible employee is or may be
74 entitled, and provide to the office evidence of the applications.

75 (b) If the eligible employee fails to make application under this Subsection (6), the
76 monthly disability benefit shall be suspended.

77 (7) During a period of total disability, an eligible employee has an affirmative duty to
78 keep the program informed regarding:

79 (a) the award or receipt of an amount from a source that could result in the monthly
80 disability benefit being reduced or reimbursed under this section within 10 days of the award or
81 receipt of the amount; and

82 (b) any employment, including self-employment, of the eligible employee and the
83 compensation for that employment within 10 days of beginning the employment or a material
84 change in the compensation from that employment.

85 (8) The program shall use commercially reasonable means to collect any amounts of

86 overpayments and reimbursements.

87 Section 2. Section **49-21-409** is enacted to read:

88 **49-21-409. Violations -- Penalties.**

89 In addition to other remedies provided in this title, if an eligible employee knowingly
90 makes a material misrepresentation to the program or knowingly fails to disclose the award or
91 receipt of amounts to the program as required under Section [49-21-402](#), the program may:

92 (1) suspend the monthly disability benefits to the eligible employee;

93 (2) terminate all monthly disability benefits to the eligible employee;

94 (3) terminate or cancel any other benefits provided under this title during a period of
95 total disability; or

96 (4) require the eligible employee to repay the amount of any overpayment resulting
97 from the violation to the program.

98 Section 3. **Effective date.**

99 This bill takes effect on July 1, 2017.