

**HOSPITALS OF ONTARIO
DISABILITY INCOME PLAN
(HOODIP)
SICK PAY DOCUMENT**

January 1, 1992

Covering the short term component (Part A) of HOODIP,
which is administered and paid by participating employers.

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Introduction

The Hospitals of Ontario Disability Income Plan (HOODIP) is comprised of two parts: the short term disability benefit (Part A) and the long term disability benefit (Part B). This document describes the requirements for the short term portion only, the HOODIP Sick Pay benefit (Part A), covering the first 15 weeks of Total Disability. The Sick Pay benefit is administered and paid by the Participating Employer. All employers participating in HOODIP are to use this document as a guide for administering the Sick Pay portion of HOODIP.

Sick pay benefits from the sixteenth to thirtieth week of disability are provided by the Unemployment Insurance Illness Benefit available through the Employee's local Canada Employment and Immigration Commission office. The two-week waiting period under Unemployment Insurance rules is waived. The Sick Pay benefit under HOODIP complies with the Unemployment Insurance premium reduction registration requirements of the Canada Employment and Immigration Commission. However, each Participating Employer must register for the Unemployment Insurance premium reduction with Canada Employment and Immigration. You may obtain the registration form from your local Canada Employment and Immigration office or you may request a copy by calling the Employer Services Division of Canada Employment and Immigration at 1-800-561-7923. Send the completed form to:

Employer Registration Division
Canada Employment and Immigration
P.O. Box 11000
Bathurst, New Brunswick
E2A 4T5

The fifteen weeks of Unemployment Insurance benefits are followed by Part B of HOODIP, which consists of Long Term Disability benefits of up to 75% of the Member's pre-disability earnings. (Failure to qualify for the Unemployment Insurance Illness Benefit will not shorten the total 30-week qualifying period for the Long Term Disability benefit.) The Long Term Disability benefit is insured by Mutual Life of Canada under Group Policy 2100, effective 1 January 1992. Details of this benefit are contained in Policy 2100.

Note: Words that are capitalized throughout the body of this document are terms defined in the Definitions section of this document (B-1).

Definitions

Actively Working and Actively at Work

mean the performance for a Participating Employer of the regular duties of the person's own occupation for one full working day or shift. This includes vacation days, personal days and/or holidays as well as occasional days used for educational purposes or union business, as granted by the Participating Employer. An Employee on an extended leave, such as an approved leave of absence, is not considered to be Actively at Work.

Date of Disability means the first day of regularly scheduled work for which the Member is unable to report due to injury or illness.

Earnings (for full time Employees)

means, on a given date, the rate of the regular remuneration received by the Employee on that date for her regular employment excluding overtime, bonuses, shift premiums and special payments of any kind.

Earnings (for part time Employees)

means, on a given date, the weekly rate determined from the Employee's hourly rate of remuneration excluding overtime, bonuses, shift premiums, special payments, and percentage in lieu, multiplied by the average hours worked weekly during the immediately preceding 52 weeks (or during the entire period of part time employment if the Member has been a part time employee for fewer than fifty two weeks). The weekly rate is used to determine Earnings as required.

Employee means a person who is working on a full time or part time basis, as defined by the Participating Employer, for a Participating Employer.

Group Policy 2100 means the contract of insurance between the Mutual Life Assurance Company of Canada and the Ontario Hospital Association, effective 1 January 1992. This contract includes the provision for the Long Term Disability portion (Part B) of HOODIP.

HOODIP means Hospitals of Ontario Disability Income Plan.

Member means a person employed by a Participating Employer on a full time or part time basis, who is covered under HOODIP.

Month means the period of time from a date in one calendar month to the same date in the next calendar month.

Participating Employer

means an employer that is a member of the Ontario Hospital Association and is participating in HOODIP.

Participating Group

means any group of Employees defined by a Participating Employer as eligible to participate in this Plan. (Coverage is provided for the Participating Groups listed on the applicable Appendices to Group Policy 2100.)

Physician means a doctor of medicine (M.D.) legally licensed to practice medicine.

Plan means the Hospitals of Ontario Disability Income Plan.

Qualifying Period means the period of disability before Sick Pay benefits commence. For the first three periods of Total Disability in a calendar year, there is no qualifying period. For the fourth and subsequent periods of Total Disability in any calendar year the qualifying period is two days. (One period of Total Disability may include more than one absence as described under Recurrence of Disability - G-1.)

She and her refer to both genders.

Total Disability and Totally Disabled

means the Member has a medically determinable physical or mental impairment due to injury or illness which prevents her from performing the regular duties of the occupation in which she participated immediately preceding the start of the disability.

Waiting Period

means the period of time from the Employee's first day of Active Work which must pass before she is eligible for Sick Pay coverage.

Eligibility

All new full time employees and all new regularly scheduled part time employees who are members of a Participating Group must join the Plan as a condition of employment following the completion of three Months of service with the Participating Employer. (Part time employees who are casual or non-scheduled are not eligible to join.)

An Employee becomes eligible to be a Member and continues to be eligible for coverage under the Sick Pay portion of HOODIP if she meets all of the following conditions:

1. she is Actively Working;
2. she belongs to a Participating Group, as determined by the Participating Employer; and
3. she works for the Participating Employer at least the number of hours specified by the employer in the appropriate Appendix to Group Policy 2100.

If, due to illness or injury, an eligible Employee is not Actively Working on the date the Sick Pay benefit would otherwise be effective, the Sick Pay benefit will not take effect until the day she has been Actively Working on all of the immediately preceding seven consecutively scheduled working days for full time Employees and on all of the consecutively scheduled working days that fall within the immediately preceding 10 calendar days for part time Employees.

In the event that an eligible Employee is not Actively at Work for a reason other than illness or injury, coverage will become effective on the date of return to work.

Commencement of Coverage

Effective Date of Coverage

A person who is eligible to become a Member as described under Eligibility (C-1) becomes a Member on the day following the completion of a Waiting Period consisting of three Months of service with that employer, unless she is not Actively at Work on that day due to injury or illness, as described under Eligibility.

Transfer from Another Participating Employer

Service accumulated with a previous Participating Employer is not transferable for purposes of calculation of the Sick Pay benefit. Eligibility requirements for Sick Pay coverage are the same for all new Employees, regardless of whether service is transferred for purposes of eligibility for and calculation of the Long Term Disability benefit (Part B of HOODIP).

Entitlement to Benefit

Entitlement

Benefits shall be paid to a Member who satisfies the following conditions:

1. she is Totally Disabled on the date her Qualifying Period expires; and
2. she supplies proof of Total Disability satisfactory to the Participating Employer when she has been absent for three or more days (subject to a periodic review thereafter). However, such proof may be required at any time in order for her to qualify for benefits; and
3. she is not entitled to receive benefits for a compensable accident such as an accident covered by the Worker's Compensation Act.

Exclusions and Limitations

Sick Pay benefits are not payable in respect of disability resulting from:

1. intentionally self-inflicted injuries;
2. civil disorder or war, whether or not war was declared; or
3. committing or attempting to commit a criminal offense, excluding operating a vehicle while the Member's blood contains more than 80 milligrams of alcohol per 100 millilitres of blood.

No benefit is payable during any leave of absence mutually agreed upon by the Member and the Participating Employer. If a Member becomes Totally Disabled prior to a pregnancy and/or parental leave of absence, the leave will commence on the earliest of the agreed leave date, the date of birth of the child, or the adoption date (ie. the date the child comes in to the care and control of the parent). If a Member becomes Totally Disabled while on an approved leave of absence, the date the Member is considered to be Totally Disabled is the date she was scheduled to return to work. Accordingly, Earnings are also those in effect on the date she was scheduled to return to work.

No benefit is payable for loss of income if the Member takes time off to undergo elective cosmetic or experimental surgery unless the surgery or treatment is for accidental injuries or unless the surgery is medically necessary as determined by the provincial medicare plan in the province here the Member resides.

A Member is not considered Totally Disabled unless she is under the active, continuous and medically appropriate care of a Physician and is following the treatment prescribed by the Physician for that disability.

A Member is not considered Totally Disabled due to the use of drugs or alcohol unless she is being actively supervised by and receiving continuous treatment for that disability from a rehabilitation centre, a Physician or an institution provincially designated for that treatment.

A Member is not considered Totally Disabled due to a psychological disorder unless she is under the active and continuous care of a Physician or other professional satisfactory to the Participating Employer and is following the treatment prescribed by the Physician or other professional for that disability.

Benefit Amount and Payment

Benefit Amount

The amount of the Sick Pay benefit payable to a Member will be determined by the length of her service with the Participating Employer. For the purposes of this section "service" means, for a full time employee, the period from the first day of full time employment up to the first day of absence. For a part time employee "service" means the period of employment from the first day of employment, whether full time or part time, to the first day of absence. The amount will be determined by the Participating Employer according to the following schedule:

3 months but less than 1 year	-	66 2/3% of Earnings
1 year but less than 2 years	-	70% of Earnings
2 years but less than 3 years	-	80% of Earnings
3 years but less than 4 years	-	90% of Earnings
4 years or over	-	100% of Earnings

Earnings are those in effect on the last day the Member is Actively at Work. For part time employees Earnings will be based on scheduled time lost. For the period beyond that scheduled, Earnings will be as described under Definitions, and for each day the part time Employee might otherwise be scheduled to work but remains Totally Disabled the appropriate Sick Pay is payable according to the Benefit Amount schedule.

The amount received will be either the Sick Pay benefit stated above or 60% of the employee's normal insurable earnings, used for Unemployment Insurance purposes, whichever is greater.

Retroactive pay increases will be recognized if the date of retroactivity predates the Date of Disability.

Payment of Benefit

The Sick Pay benefit will be payable by the Participating Employer through salary continuance, following the expiration of the Qualifying Period.

Duration of Benefit

Benefits are payable for up to 15 calendar weeks from the Date of Disability, based on the Member's regular work week. The 15-week period may be extended by periods of return to work, as described under Recurrence of Disability (G-I).

Individual Policies

Income from individual life and disability income policies will not act as an offset to the Sick Pay benefit.

Subrogation

If the Participating Employer has paid a benefit for an injury or illness in which any third party is or may be liable for damages, the Participating Employer will be subrogated to the rights of the Member against the third party, where permitted by law.

The Member will be required to sign an undertaking to reimburse the Participating Employer. Reimbursement is required when the amount of Sick Pay benefits paid, together with the amount

recovered from the third party for lost income, exceeds 100% of the Member's Earnings. The amount the Member must reimburse will not be greater than the amount of benefits paid.

The Participating Employer will not be bound by any compromised settlement entered into by the third party unless the Member obtains the Participating Employer's consent to the settlement.

If the Member receives an amount for future loss of income under a judgement or settlement, Sick Pay benefits will be subject to the Participating Employer's right of reimbursement. After the period covered by the future loss award, if the Member continues to be Totally Disabled and if the Sick Pay benefits are still payable, the Participating Employer will resume benefit payments.

Recurrence of Disability

Recurrence

If a Member returns to work after receiving Sick Pay benefits under this Plan, any subsequent period of Total Disability for the same or a related cause will be considered as a continuation of the previous benefit period, unless the successive periods of Total Disability are separated by a period where the Member is Actively at Work for:

1. three regular work weeks for a full time employee; or
2. all of the scheduled working days within 21 calendar days for a part time employee,

in which case her benefit period of 15 regular work weeks will be reinstated in full.

If, within three weeks or 21 calendar days following her return to work as described above, the Member becomes disabled from:

1. the same or a related cause of injury or illness, only the remainder of the 15-week benefit period will apply; or
2. an unrelated cause of injury or illness, her benefit period will be reinstated in full.

However, if she remains not Actively Working and becomes further disabled (due to a related or unrelated cause of injury/illness) only the remainder of the 15-week benefit period will be applied; the full 15-week benefit period will not be reinstated.

If she remains not Actively Working and becomes further disabled following the completion of the 15-week benefit period no further Sick Pay benefits are available.

If a Member returns to work on an approved modified work program she is not considered to be Actively at Work. In such a case she will continue to expend the 15-week benefit period. In the event that the modified work program exceeds three weeks this will not cause reinstatement of the 15-week benefit period. Income from modified work is considered to be part of the Member's salary continuance through Sick Pay and, as such, may be regarded as an offset.

Commencement and Amount of Benefit

When a subsequent period of Total Disability is considered to be a continuation of the previous period, as described under Recurrence, the Member will be entitled to the Sick Pay benefit on the day the subsequent Total Disability commences. The benefit payable will be equal to the benefit paid during the initial period of Total Disability. In such a case, where the recurrence is a continuation of disability, the Qualifying Period need not be served again.

Termination of Payment of Benefit

The payment of a Sick Pay benefit to a Member will cease on the earliest of the following dates:

1. the day the Member is no longer Totally Disabled;
2. the day the Member dies;
3. the day the Member participates in any occupation for remuneration or profit, except for a rehabilitation program approved by the Participating Employer;
4. the day the Member is not continuing medical care and treatment, or fails, within the time stipulated, to furnish the Participating Employer with satisfactory proof of the continuance of Total Disability;
5. the day the Member completes 15 calendar weeks of benefit payment.

Termination of Employee Participation

Participation in the Sick Pay portion of HOODIP terminates on the earliest of:

1. termination of employment, including retirement;
2. death;
3. termination of the Plan;
4. transfer to a group not included in the Plan;
5. the day the Participating Employer terminates participation in the Plan, providing the Member was not Totally Disabled on that day;
6. commencement of a period of notice for which the Employee is not required to report to work, except where coverage is required under the Employment Standards Act or other statute.

In the event of layoff or termination, benefits may only cease when a disability starts within two months of the day of layoff or separation, and the notice of the layoff or separation was given before the disability began. Otherwise, benefits must continue for the duration of the 15 week benefit period, provided the Employee remains Totally Disabled.

Disputes

A Member who disputes any aspect of the Sick Pay benefit may appeal to the Participating Employer in writing and will be responsible for all costs involved in making the appeal.

A Member who is refused Sick Pay by reason of insufficient medical evidence may appeal with submission of further medical evidence. If the Member appeals without submitting further evidence she must bring forward existing evidence that warrants further consideration or investigation. The Member is responsible for costs of obtaining medical evidence.

The Participating Employer is responsible for all aspects of the response to an appeal, including costs. The Ontario Hospital Association is not a party to any dispute regarding the Sick Pay benefit. No person, Employee, Member or former Member will have any recourse under any provisions of the Plan against any past, present or future director, officer, or employee of the Ontario Hospital Association, and all directors, officers, and employees will be free from all liability.

Amendments

Power to Amend

1. Notwithstanding anything contained within this document, the Sick Pay benefit may be amended at any time, and from time to time, by the Ontario Hospital Association and all such amendments will be binding on every Participating Employer and on every Member.
2. Notice of every such amendment will be given to the Participating Employers.