



EQUITABLE

Bridging the gap.

Why keep short-term disability on the table?

Connecticut Paid Family and Medical Leave Act (CT PFMLA)

Employers in the State of Connecticut play a vital role in helping employees access paid time off to address their personal and family health needs. Many are covered under the PFMLA, allowing employees to take leave without the consequence of lost income.

Short-term disability and the CT PFLMA

If your clients are thinking about eliminating short-term disability (STD) benefits because of the introduction of the CT PFML plan, they may want to think it through.

An STD program is considered to be a complement to the CT PFML plan and should be kept in place to ensure there's a comprehensive income protection plan in place for their employees. Eliminating an STD plan could create significant gaps in coverage for employees and dramatically impact their financial well-being. You could help bridge that gap.

Income protection gaps

Employees that earn in excess of \$62,550.80 per year will hit the \$941.40 weekly cap on the CT PFML plan and employees that earn in excess of \$81,588 per year will receive less than 60% of their pay. Consider these replacement ratios:

Weekly pay	Annual pay	Weekly CT PFML benefit	Replacement ratio*
\$500	\$26,000	\$475	95%
\$1,000	\$52,000	\$819.66	82%
\$1,500	\$78,000	\$941.40	63%
\$2,000	\$104,000	\$941.40	47%
\$2,500	\$130,000	\$941.40	38%

*The replacement ratio does not take into account any type of taxation.

Income protection gaps (continued)

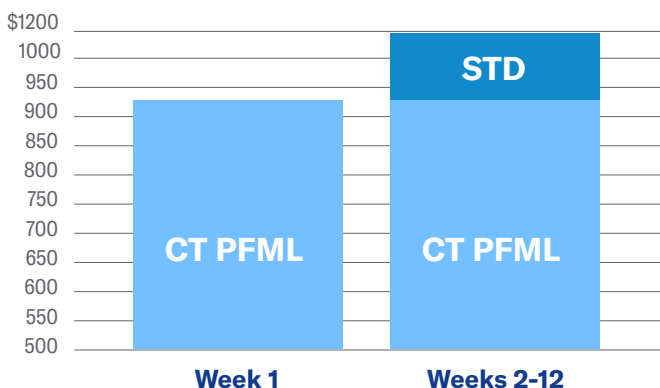
The benefits available through an Equitable STD program would complement those available under a CT PFML plan and ensure there is an adequate level of coverage.

STD plan examples

7-day elimination period, 12-week duration, 60% benefit with a \$2,000 weekly maximum benefit

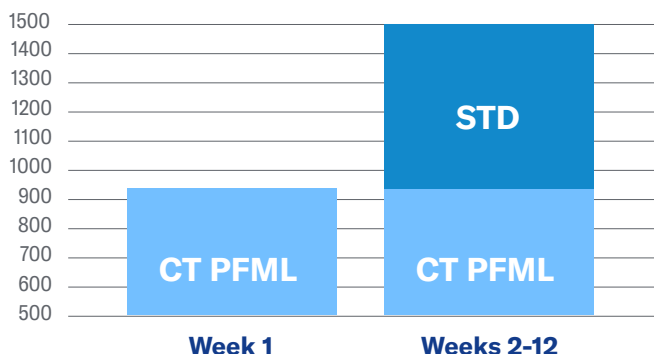
Example 1:

An employee earning \$2,000 per week would be eligible for \$941.40 per week from the CT PFML plan, plus \$258.60 per week from the STD plan, for a total of \$1,200 per week. This means the employee would receive 60% of their pre-disability pay combined between the two programs.



Example 2:

An employee earning \$2,500 per week would also be eligible for \$941.40 per week from the CT PFML plan, plus \$558.60 per week from the STD plan, for a total of \$1,500 per week. This employee would also receive 60% of their pre-disability pay between the two programs.



The CT PFMLA provides for a max of

12 weeks

of leave in a 52-week period. This maximum leave allotment is combined for all types of leaves.

Potential coverage gaps

Consider these scenarios



Steve is a new father and takes 12 weeks of CT PFML leave to bond with his new child. Two months after he returns to work, he goes skiing and breaks his leg. His job requires him to be on his feet all day, which he can't do with a broken leg.

Since Steve used his entire 12 weeks of CT PFML leave already, he's not eligible for any additional benefits from the CT PFML plan. If Steve was covered by an Equitable STD plan, he could apply for benefits under that program while he is on the mend.



Jane has an elderly mother that has come down with a serious illness. Jane takes 3 weeks of CT PFML leave to care for her mother while she recovers. Later in the year, Jane herself is diagnosed with an illness that will keep her out of work for 6 to 9 months.

As Jane has already used three weeks of CT PFML leave, she is only entitled to nine more weeks of leave for her own serious health condition. If her long-term disability (LTD) plan has a 90-day elimination period, she will be left with a four week gap between the end of her CT PFML benefits and the start of her LTD benefits. STD will cover that gap.

Why Equitable?

Providing STD coverage through Equitable ensures there's a comprehensive income protection plan in place for employees. We take the guess work out of integrating the STD coverage with the CT PFML program, which ultimately provides some peace of mind for your clients. **It's powerfully simple.**

To learn more about strategies provided by Equitable, contact your Equitable Representative today.

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