HR Q&A Employee Benefits

Courtesy of Meridian Benefits Consulting

Q **What are the basics of short-term disability? How long does it last, and what does it provide?**

A Short-term disability insurance provides income protection to employees who are unable to work due to injury or illness occurring outside of the work environment and who are typically not eligible for workers' compensation. On a federal level, employers are not required to provide short-term disability benefits to their employees; however, a few states have laws requiring coverage. Employers providing short-term disability benefits can choose their own short-term disability plans and determine the amount of disability payments, length of any waiting period and the length of time employees may receive payments.

The inability to work combined with higher medical costs can be financially devastating. The income provided by short-term disability coverage can lessen the financial burden, should an individual become disabled. Short-term disability insurance usually has a waiting period, and coverage typically begins within one to 15 days after the event causing the disability. Once any applicable waiting period has been met, disabled employees are provided with a portion of their regular income while they are unable to work. The average company's short-term disability benefits cover 50 to 70 percent of an employee's regular monthly income. Short-term disability benefits generally last for about 10 to 26 weeks, although the duration of benefits varies by policy; some plans provide benefits up to 52 weeks. When short-term disability benefits run out, long-term disability may take effect.

Short-term disability plans can be funded by either the employer or the employee, but they are most often funded by the employer.

Be sure to research multiple short-term disability plans in order to pick the ideal choice for your company. If you're unsure of whether you are making the right choice, compare your business goals with others in the industry to assist with benchmarking.

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