

# How Does Long Term Disability Really Work?



[Long-term disability \(LTD\)](#) is a benefit that may be offered by your employer, who might cover the entire premium or share the cost with you through payroll deductions. You also have the option to purchase LTD coverage privately. However, employer-provided group disability policies generally offer lower benefit amounts, so it may be wise to consider additional coverage for enhanced protection. Reviewing your coverage details, including any limitations or restrictions, is also advisable.

Who pays for the policy significantly impacts tax implications. If you personally pay for the policy and need to make a claim, the benefits received are tax-free. In contrast, if your employer covers the entire premium, any claim payouts are considered taxable income, similar to a car allowance.

Employers also often provide short-term disability (STD) insurance, which supports employees who are temporarily unable to work due to illness or injury, typically for three to six months. STD assumes that you'll return to work within a few months. If the disability extends beyond this period, LTD benefits may apply, potentially covering the individual until age 65.

## **When Do Benefits Start?**

A common question when filing a disability claim is: how long until payments begin? This timeline depends on the type of policy. For short-term disability (STD), payments usually start quickly and may align with your regular pay schedule. However, if your absence extends beyond a few months, [long-term disability \(LTD\)](#) benefits might apply, often after a waiting period known as the "qualifying" or "elimination" period, which typically ranges from three to six months. During this time, Employment Insurance (EI) sickness benefits may be available to provide interim support.

You can typically find answers about your policy's start times in the policy documents or by contacting your company's human resources department.

## **How Much Will I Be Paid?**

Another common question is: how much of my income will LTD cover? While many hope for full income replacement, [LTD benefits](#) generally cover between 50% and 80% of your salary. Under most group plans, a payout of around 66% of your income is standard.

## **How Long-Term Disability (LTD) Works in Canada**

LTD benefits in Canada typically start after a waiting, or "elimination," period of 90 to 180 days following the onset of your disability. During this time, you may need to rely on short-term disability benefits, employment insurance, or personal savings.

## Eligibility for LTD Benefits

To qualify for LTD benefits, you must provide comprehensive medical documentation of your disability. This generally includes reports from your doctors and specialists, diagnostic test results (e.g., MRIs, X-rays), treatment plans, and a clear description of how your condition limits your ability to work. It's essential to inform your healthcare providers about your claim so they can provide detailed and supportive documentation.

Your insurance company will require specific claim forms to be completed. These usually include:

- **Claimant Statement:** Details your condition and its impact on your ability to work.
- **Employer Statement:** Verifies your job duties and how your condition affects your performance.
- **Attending Physician's Statement:** Provides medical information and prognosis.

Be sure to complete all forms accurately and thoroughly, as incomplete or inaccurate forms can delay your claim processing.

## Claims Review Process

Once submitted, your insurance company will assess all documentation and may request additional information, schedule independent medical examinations (IMEs), or conduct functional capacity evaluations (FCEs). The insurer will evaluate if you meet the policy's definition of disability and if your condition prevents you from performing the duties of your occupation.

## Receiving LTD Benefits

If approved, you'll start receiving [LTD benefits](#) per your policy's terms. These benefits typically represent 60-70% of your pre-disability income and are paid monthly. Tax implications depend on who paid the premiums.

## Ongoing Assessments

Once your claim is approved, you may face periodic reviews by the insurer to confirm your continued eligibility. This may involve regular medical updates, further IMEs or FCEs, and vocational assessments. Complying with these requests is necessary to maintain your benefits.

## Appeals Process for Denied Claims

If your claim is denied, you can appeal. This process usually involves reviewing the denial letter to understand the reasons, gathering additional evidence, and submitting a formal appeal within the designated timeframe. Consulting a [disability claims lawyer](#) can strengthen your appeal and improve your chances of success.

## Disability Due To Neurological Conditions

A [study](#) by the Government of Canada found about 3.6 million Canadians are affected by neurological conditions. These conditions account for more than half of Canadians

requiring continuing care, including those who require home care or are living in a long-term care facility. Not surprisingly, neurological conditions have a tremendous impact on work productivity. According to the study, the rate of permanent unemployment among those with these conditions is 12 times higher than in the general population.

Neurological disorders can affect the brain, spine or nervous system and conditions are wide-ranging. The nervous system is vulnerable to a variety of disorders and can be damaged by trauma, degeneration, infection, tumours, autoimmune disorders or structural defects. Although each person may experience symptoms differently, signs of a neurological disorder can include the persistent or sudden onset of a headache, loss of feeling, loss of sight or double vision, memory loss, tremors and seizures, back pain radiating to the feet or other parts of the body or weakness or loss of strength.

If you are suffering a neurological disorder, it can cause impairments that prevent you from functioning at work. Proving a neurological condition's impact can be a complex process and the benefits you are entitled to will depend on your insurance policy. At [Boland Romaine](#), we understand those with neurological conditions can be placed in a vulnerable position when fighting for LTD benefits. We have the resources to help prove your claim and we are here to help.

### **Disability Due To Chronic Pain And Injury**

Chronic pain and injury can be caused in a number of ways and the injury you suffer may not be easily diagnosed. That doesn't mean you are not entitled to [LTD benefits](#). Your injury may not be unique to the insurance company but it is to you. If it leaves you unable to work, your recovery and your financial future is in jeopardy. The last thing you need is an insurance denial.

Pain is subjective. However, when it leads to a disruption in your everyday life and you are incapable of performing tasks essential to your job, you expect that the LTD insurance you paid into will help get you through a difficult time.

You are required to prove your injury exists. That is fair. But what happens if you are experiencing very real and debilitating pain with no identifiable physical source? "Invisible" ailments such as Fibromyalgia – a musculoskeletal condition that causes pain all over your body and can lead to emotional and mental distress – can be difficult to diagnose. But not impossible. Which is why you need a law firm with the experience and resources to take on your case. A claim denial does not necessarily mean the end.

Whether you are unable to work because of chronic pain syndrome, a soft tissue injury that doesn't show up on an X-ray CT scan or MRI, or if you have been hurt in an accident, the team at Boland Romaine is here for you.

### **Disability Due To Psychological Conditions**

Mental health issues can have a significant impact on your life, including your ability to work. Disability claims due to these issues are on the rise. Claims can be made for depression anxiety, post-traumatic stress disorder and mood disorders that include bipolar disorder and schizophrenia. However, these so-called "invisible injuries" can be difficult to diagnose and benefits are often denied or terminated by insurers. Unlike diagnosing a broken bone or a disease, there is no X-ray or blood test to prove your claim. But the effect it can have on your life is real and your right to seek Long-term Disability (LTD) benefits should not be ignored.

Mental illness and addiction affect mood, thinking and behaviour and include depression, anxiety disorders and schizophrenia, as well as substance-use disorders, according to the Centre for Addiction and Mental Health (CAMH). They [report](#) one in five Canadians experiences a mental illness or addiction problem every year. Sadly, only about half of Canadians experiencing a major depressive episode receive "potentially adequate care," CAMH states, adding at least 500,000 employed Canadians are unable to work due to mental health problems in any given week.

Filing an LTD claim can present challenges and it can be stigmatizing when it is for a psychological condition. You are not alone. At Boland Romaine, our lawyers will treat your case with compassion and care. We have a large and experienced support staff and team ready to make your case a priority.

### **Disability Due To Other Medical Conditions**

There are many medical conditions that can impair your ability to effectively do your job. Working through the pain is not the best approach. Pain can trigger psychological trauma such as anxiety, depression or even addiction that can further affect your performance at work. A variety of medical conditions can have an impact on everything from your cognitive ability to your motor skills. These can include Lyme disease, a serious tick-borne disease with a wide range of symptoms, rheumatoid arthritis and osteoarthritis, which can severely limit your fine motor skills, or chronic fatigue syndrome, which has no apparent underlying cause.

The COVID-19 pandemic has led to an emerging issue – COVID long-haulers. Most people infected with the virus recover within a few weeks. However, researchers at the British Medical Journal found that about 10 percent of those who tested positive for COVID continue to suffer months later. COVID attacks the body in different ways and can cause damage to the lungs, heart, nervous system, kidneys, liver and other organs. Common signs and symptoms that can linger in long-haulers can include fatigue, joint pain, brain fog, muscle pain, depression, fever, cough or dizziness.

When a medical condition prevents you from working and your Long-term Disability claim has been denied or terminated, the situation may seem hopeless. However, you should not give up. At Boland Romaine, we can help you get the settlement you deserve to get your life back on track.

*The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.*

Author: [Michael Connolly](#)

Boland Romaine Personal Injury Lawyers