

What Are STD And LTD Benefits In Ontario?



In Ontario, employees may be entitled to Short-Term Disability (STD) and [Long-Term Disability \(LTD\) benefits](#) if they are unable to work due to illness, injury, or a medical condition. These benefits provide financial assistance during periods of disability, offering employees income protection when they cannot earn wages due to health-related issues.

Understanding the differences between STD and LTD benefits, how they work, and who is eligible for them is crucial for employees seeking to protect themselves financially during challenging times. In this blog by Michael Connolly, we will explore the key aspects of STD and LTD benefits in Ontario, including how they function, eligibility requirements, the application process, and important considerations when dealing with disability insurance claims.

What Are STD and [LTD Benefits](#)?

1. Short-Term Disability (STD) Benefits

Short-Term Disability (STD) benefits provide temporary financial assistance to employees who are unable to work due to a medical condition. Typically, these benefits cover a shorter period of time, generally ranging from a few weeks to a few months, depending on the policy.

STD benefits are designed to replace a portion of the employee's income during the early stages of disability. They usually cover a percentage of the employee's salary (usually anywhere between 50% and 100%), helping them meet their financial obligations while recovering from an illness or injury.

2. Long-Term Disability (LTD) Benefits

Long-Term Disability (LTD) benefits, as the name suggests, provide financial assistance to employees who are unable to work for an extended period due to a serious medical condition or injury. LTD benefits typically begin after the STD benefits expire and are meant to offer ongoing income protection for employees facing long-term or permanent disabilities.

LTD benefits may continue for several years or even until retirement, depending on the terms of the policy. Like STD benefits, LTD benefits also replace a portion of the employee's income, often ranging between 60% and 80% of their pre-disability salary.

Eligibility for STD and [LTD Benefits in Ontario](#)

Eligibility for both STD and LTD benefits depends on several factors, including the terms of the employee's insurance policy and their employment status. In Ontario, STD and LTD benefits may be provided through an employer's group benefits plan, a private insurance policy, or government programs such as the Canada Pension Plan (CPP) Disability Benefits.

Employer-Sponsored Plans

Many employers in Ontario offer STD and LTD benefits as part of their group benefits plan. To qualify for these benefits, employees typically need to meet the following criteria:

1. **Employment Status:** Employees covered under the employer's group benefits plan. Although this typically requires the claimant to be actively working, LTD coverage may be extended during periods of leave. Some employers may require employees to have completed a probationary period before becoming eligible for disability benefits.
2. **Medical Documentation:** Employees must provide medical evidence from a healthcare provider confirming that they are unable to perform their job duties due to a medical condition. This may include medical reports, test results, or a doctor's note.
3. **Waiting Period:** STD benefits often have a short waiting period, also known as an elimination period, before the benefits begin. This period typically ranges from a few days to a couple of weeks, depending on the policy. LTD benefits usually have a longer waiting period, which often coincides with the duration of the STD benefits (e.g., 90 to 180 days).
4. **Pre-Existing Conditions:** Some insurance policies have exclusions for pre-existing conditions. This means that if the employee had a medical condition before enrolling in the disability plan, they may not be eligible for benefits related to that condition for a specific period.

Read more on this [here](#) and [here](#)

Private Insurance

If an employee does not have access to employer-sponsored STD or LTD benefits, they may choose to purchase a private disability insurance policy. The eligibility requirements for private insurance are similar to those of employer-sponsored plans, but the specific terms and coverage will depend on the policy purchased from the insurance provider.

Government Benefits

In cases where employees do not qualify for employer-sponsored or private STD/LTD benefits, they may be eligible for government disability benefits, such as:

- [Canada Pension Plan \(CPP\) Disability Benefits](#): CPP provides disability benefits to individuals who have contributed to the CPP and are unable to work due to a severe and prolonged disability.
- [Employment Insurance \(EI\) Sickness Benefits](#): EI provides short-term benefits to individuals who are unable to work due to illness, injury, or quarantine. These benefits can last up to 26 weeks and replace 55% of the claimant's average weekly earnings.

How Do STD and LTD Benefits Work?

1. STD Benefits Process

Once an employee becomes eligible for STD benefits, the following steps are typically involved in the claims process:

- **Submit a Claim:** The employee must submit a claim to their insurance provider, which includes medical documentation supporting their inability to work. This may involve filling out forms provided by the insurance company, as well as obtaining statements from their employer and healthcare provider.
- **Waiting Period:** After submitting the claim, there is usually a short waiting period before benefits begin. This period can range from a few days to two weeks, depending on the policy.
- **Receive Benefits:** Once the claim is approved, the employee will start receiving STD payments, which replace a portion of their income. The benefits may be paid weekly or biweekly, depending on the policy.
- **Duration of Benefits:** STD benefits generally last for up to 15 to 26 weeks, although the exact duration will depend on the terms of the policy. If the employee recovers during this period, they can return to work. If they are still unable to work after the STD benefits expire, they may need to apply for LTD benefits.

2. [LTD Benefits Process](#)

The process for applying for LTD benefits is similar to that of STD benefits, but there are some key differences:

- **Submit a Claim:** If the employee is still unable to work after their STD benefits have run out, they can apply for LTD benefits. This will require submitting medical documentation that supports the long-term nature of their disability.
- **Approval Process:** The approval process for LTD benefits may be more stringent than for STD benefits, as LTD claims often involve more significant financial obligations for the insurance company. Employees may need to provide extensive medical evidence and undergo evaluations by healthcare providers chosen by the insurer.
- **Ongoing Evaluation:** LTD benefits are generally paid on a monthly basis, and recipients may be required to provide periodic updates on their medical condition to continue receiving benefits. Some LTD policies require recipients to demonstrate that they are unable to perform not only their own job but any type of work for which they are reasonably suited.
- **Duration of Benefits:** LTD benefits can last for several years, or until the employee reaches retirement age, depending on the terms of the policy. Some policies may provide benefits for a fixed period (e.g., 5 or 10 years), while others may continue paying benefits as long as the employee remains disabled.

Read more on this [here](#)

Key Differences Between STD and [LTD Benefits](#)

While STD and LTD benefits both provide financial support during periods of disability, there are several key differences between the two types of benefits:

- **Duration:** STD benefits are short-term, typically lasting between a few weeks and a few months. LTD benefits are designed for longer periods, often covering several years or even until retirement.
- **Waiting Period:** STD benefits usually have a shorter waiting period, ranging from

a few days to a couple of weeks, whereas LTD benefits often have a longer waiting period, usually coinciding with the end of the STD benefits period.

- **Coverage Amount:** STD benefits often replace a smaller percentage of the employee's salary (e.g., 50% to 75%), while LTD benefits may replace a higher percentage (e.g., 60% to 80%).
- **Eligibility Criteria:** STD benefits may have less stringent eligibility criteria, as they are designed for temporary conditions. LTD benefits require more extensive medical documentation, as they are intended for more severe and prolonged disabilities.

Important Considerations When Dealing with STD and [LTD](#) Claims

1. Keep Detailed Medical Records

To ensure a successful disability claim, it's essential to maintain detailed and up-to-date medical records. This includes doctor's notes, test results, treatment plans, and any other documentation that supports the severity and duration of the disability.

2. Communicate with Your Employer

It's important to keep your employer informed about your medical condition and your ability to return to work. In some cases, employers may offer accommodations or modified duties that allow you to return to work in a reduced capacity.

3. Understand Your Policy Terms

Each STD and LTD policy is different, and it's crucial to understand the specific terms and conditions of your coverage. Be sure to review the policy documents to understand the waiting periods, coverage amounts, and duration of benefits.

4. Seek Legal Advice if Necessary

If your claim is denied or if you encounter difficulties with your insurance provider, it may be helpful to seek legal advice. Disability insurance lawyers can help you navigate the claims process, appeal denied claims, and ensure you receive the benefits you are entitled to.

[Long term Disability Lawyer Toronto](#)

Short-Term Disability (STD) and Long-Term Disability (LTD) benefits are essential for protecting employees in Ontario when they are unable to work due to illness, injury, or a medical condition. While STD benefits provide temporary income replacement for shorter periods, LTD benefits offer long-term financial support for more severe and prolonged disabilities.

Understanding the eligibility criteria, application process, and differences between STD and LTD benefits is crucial for employees looking to secure their financial future in the event of a disability. By staying informed, keeping detailed records, and knowing your rights, you can ensure that you receive the support you need during a challenging time.

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.

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