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## **2608.1 OCCUPATIONAL INJURY OR ILLNESS: BENEFITS CONTINUATION**

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**Subject: Risk Management & Insurance**  
**Effective: December 1986**  
**Revised: June 2005**  
**Last Reviewed: April 2018**  
**Responsible Office: Risk Management & Insurance**  
**Approval: Risk Management & Insurance**

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### **PURPOSE**

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To provide continuity of benefits for Faculty and Staff when absent from the workplace due to a work-related injury or illness sustained in the course of employment with the University.

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### **POLICY**

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- 1. While an employee is on Workers' Compensation leave, there is no accrual of sick leave or Paid Time Off.**
- 2. During the initial thirty days an employee is on Workers' Compensation leave:**
  - a. The employee's benefits are continued. Deductions that would normally be taken from the employee's paycheck instead accumulate in a suspense account.**
  - b. The employee must contact the Human Resource Benefits Department within this thirty-day period to make arrangements for continuation of benefits, and to pay the employee's share of the cost.**
    - i. This cost is typically equivalent to the share normally deducted from the employee's paycheck.**
    - ii. Any amount accumulated in the suspense account during the first thirty days must also be paid by the employee.**
- 3. After the first thirty days and up to the end of the first twelve months from the date the employee initially began his/her Workers' Compensation leave:**
  - a. The employee's benefits are continued, providing the employee has contacted the Benefits Department during the initial thirty-day period to arrange for continuation of benefits.**
  - b. Deductions that would normally be taken from the employee's paycheck are instead billed directly to the employee.**
  - c. The employee will continue to earn service credit for those benefits that are dependant upon length of service.**

- d. Individuals may continue making payments to their tax-deferred annuity plan on an after tax basis.
  - e. If the employee makes no arrangement to continue benefits or stops paying the employee's share, all benefits will be terminated immediately (In this event, COBRA benefits (as described in section 4) will not be offered).
- 4. After the end of the first twelve months from the date the employee initially began his/her Workers' Compensation leave:
  - a. Any benefits for which the employee has been paying are terminated.
  - b. The employee may continue medical and/or dental benefits under COBRA for a period up to eighteen months subject to COBRA provisions.
  - c. Life insurance benefits may be converted to an individual contract.
- 5. Employees who are out of the workplace due to a work-related injury or illness may be required to concurrently use benefits under the Family Medical Leave policy. Please see Penn Human Resources Policy No: 631, Family and Medical Leave, for further information.
- 6. This document provides a basic overview of benefits continuation as related to Workers' Compensation leaves of absence. All specific questions relating to benefits availability while on a Workers' Compensation leave of absence should be referred to the Benefits Department of the Division of Human Resources.
- 7. Unionized University staff are excluded from this section of the policy and should refer to the terms and conditions of the appropriate collective bargaining agreement.