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Frequently Asked Questions
2021

Rhode Island Temporary Disability Insurance (TDI)

Group Insurance

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Overview

What is Statutory Disability?

Rhode Island is one of nine jurisdictions, including California, Hawaii, Massachusetts, New Jersey, New York, Puerto Rico, Washington, and Washington, DC that mandate statutory paid leave coverage for most workers in their state. While each state's program is unique, the common goal of these plans is to provide short-term income replacement for non-occupational disabilities experienced by eligible workers. Rhode Island's Temporary Disability Insurance (TDI) program is administered by the RI Department of Labor and Training. TDI benefits are entirely funded by employee contributions to the state plan.

How does an employer register with Rhode Island?

Employers are required to comply with TDI requirements if they have one or more employees working in Rhode Island. This requirement applies to businesses in Rhode Island, as well as to out-of-state employers with Rhode Island workers. Subject employers must register their business with the state's Division of Taxation, Employer Tax Section online at <https://www.ri.gov/taxation/BAR/> or by calling 401-574-8700.

What plan options are available to employers to comply with Rhode Island TDI requirements?

Rhode Island TDI benefits are available through the state plan only. Unlike other states with statutory disability requirements, there are no insured or self-insured options.

Who is eligible?

An employee is eligible for Rhode Island TDI if they work for a covered employer and earn at least \$13,800 in either the base period or alternate base period earnings.* If this test is not met, the employee may still be eligible if they meet all of the following conditions:

- Earned at least \$2,300 in one of the base period quarters;
- Total base period taxable wages are at least 1.5 times the highest quarter earnings; and
- Base period taxable wages are at least \$4,600.

* The base period is the first four of the last five completed calendar quarters preceding a disability claim. The alternate base period is the last four completed calendar quarters preceding a disability claim.

However, because "covered" employment may include service provided to a former "covered" employer, new hires may be eligible on their first day worked. For example, if Louis worked for RI Company A for five years, left on March 31 and started working for RI Company B on April 1, he would be eligible for TDI coverage with RI Company B on his first day, April 1, because he has already met the minimum RI earnings requirement in his base period for TDI eligibility as a result of his service with Company A.

Excluded from coverage are government employees, fully commissioned insurance or real estate agents, partners, student workers, religious organization employees, and workers in other categories specifically exempted by the law.

Ultimately, the onus to comply with Rhode Island's employer laws falls on the employer and non-compliance could result in a penalty. If an employer is unsure if they are obligated to comply with TDI requirements, they should contact the Rhode Island Division of Taxation, Employer Tax Unit.

Are employees who telecommute from homes in Rhode Island or salespeople with Rhode Island territories eligible for TDI?

Unfortunately, there is no definitive yes or no answer. The state needs to understand the unique circumstances of the work performed in order to make a determination. Employers are encouraged to call Rhode Island's Division of Taxation at 401-574-8700 to discuss the eligibility of multi-state workers.

If an employer has a more generous STD plan in place, do employees still need to participate in the TDI program?

Yes. TDI participation is mandatory for eligible Rhode Island workers. Employer sponsored STD and/or salary continuation plans are considered "supplemental" to TDI but cannot replace statutory coverage.

What responsibilities does TDI law impose on employers?

- Notice to All Employees:
Employers are required to post the Notice to All Employees (Form DLT-TX-6) in a conspicuous place where Rhode Island workers' services are performed. This notice provides information about TDI eligibility and how to submit a TDI claim.
- Deduct TDI Tax from Employee Wages and Remit Quarterly:
RI TDI is funded solely by employees through payroll deductions. Employers are responsible for withholding the required deductions from their workers' earnings and forwarding the TDI Tax to the RI Division of Taxation each quarter.
- Wage and Employment Reports:
When Rhode Island receives a worker's claim for TDI benefits, they send the employer a Form (TDI-4), Employment Verification Report, which asks for confirmation of the claimant's last day worked and whether the disabling illness or injury is work related. In some circumstances, employers may also be asked to complete Form TDI-4W, Employee Wage and Employment Report.

Where can an employer find more information?

Additional information regarding Rhode Island's Temporary Disability Insurance is available on the state's website: <http://www.dlt.ri.gov/tdi/>



Plan Design

What is the statutory TDI benefit plan design?

Benefit Percentage	60% of weekly wages rounded to the next higher multiple of \$1.00
Maximum Weekly Benefit	\$887 NOTE: This does not include the dependency allowance
Minimum Weekly Benefit	\$107
Elimination Period	Not applicable. If an employee is disabled and not working for seven days, benefits are paid retroactive to the first day out of work.
Maximum Benefit Amount	Benefits will be paid until the state pays 36% of total base period wages divided by the weekly benefit rate. This generally equates to 30 weeks of payments, in a benefit year. However, benefits may be paid longer than 30 weeks if the claimant's benefit is reduced by partial disability.
Standard Maternity Guideline	Treated the same as any other disabling condition.
Exclusions	No benefits are payable while the employee is receiving Unemployment or Workers' Compensation Benefits. Claimants may be disqualified from receiving TDI benefits for one year if convicted of defrauding the Temporary Disability Insurance Fund.
Recurrent Disability	No waiting period applies to TDI benefits. As a result, payments will resume for a recurrent disability retroactive to the first day he/she was again out of work, once the employee is disabled for at least seven days.
Post-termination Coverage	Employees may be eligible to receive TDI benefits after their employment has been terminated, provided that when the disability begins he or she meets the eligibility definition (i.e., earned \$13,800 in base period). However, TDI benefits are not payable if the terminated employee is receiving Unemployment Insurance benefits (UI).
Dependent's Allowance	An additional benefit of the greater of \$10 or 7% of the claimant's benefit rate is payable for up to five children.



How much do employers and employees contribute to the TDI plan?

TDI is entirely funded by employee contributions. The employee contribution rate is 1.3% of the first \$74,000 of annual wages for a maximum contribution of \$962.00.

Employers do not contribute to the TDI plan and the disability claim experience of their employees has no effect on their employer tax rate.

What is the definition of disability under TDI? Is it different from Prudential's STD plan?

A person is considered disabled under TDI if he or she is unable to perform his or her regular or customary work or services as a result of a physical or mental condition, including pregnancy. To receive benefits, the employee must be examined by a Qualified Healthcare Provider (QHP) acting within the scope of his/her practice. Benefit eligibility may be delayed if the examination does not occur the week of, the week before, or the week after the disability begins.

The TDI definition of disability is different than Prudential's standard insured STD definition of disability in that no earnings loss is required. Most Prudential insured STD plans require a 20% earnings loss in addition to an inability to perform job duties.

Does TDI pay benefits for partial disability?

Yes. TDI includes a Partial Return to Work Program that encourages employees receiving benefits to return to work on reduced hours. To be eligible for partial disability under TDI, the employee must first be totally disabled (unable to work as a result of their sickness or injury) for at least seven consecutive days and the QHP must authorize return to work. The employee's weekly TDI benefit amount is reduced by the wages earned while working part time.

TDI partial payments are generally available for eight weeks to allow the individual to transition back to their customary work schedule. However, partial payments may be extended for up to an additional four weeks when supported by medical documentation. TDI partial benefits will terminate at the end of this 8 - 12-week period even if the employee is not yet working his/her full schedule.

What is the Dependents Allowance and how do employees with children apply for this benefit?

Additional benefits are payable under TDI for claimants who have dependent children. A child's benefit, equal to the greater of \$10.00 or 7% of the claimant's benefit rate (per child), is payable for up to five children. Effective July 1, 2020, the maximum amount payable for an individual with five children would therefore be \$1,197 (\$62.09 x 5 children + \$887 weekly benefit).

Eligible children include natural, adopted, stepchildren and court appointed wards who are less than 18 years of age (over 18 if physically or mentally incapacitated). The child must be dependent upon the claimant for support and no other TDI claimant may request a dependents allowance for the same child at the same time.

Employees apply for the Dependents Allowance when submitting their TDI claim. Information such as the child's name, relationship to the employee, birth date, and Social Security Number are required.

Can an employer provide better benefits than TDI requires?

TDI benefits paid by the state are paid at the statutory rate. However, employers may wish to pay their disabled employees more than the state plan by offering a supplemental STD plan. Under this arrangement, TDI benefits are paid to the employee first and are then subtracted or "offset" from any additional STD benefit payable. Standard STD plans include statutory disability benefits as a deductible source of income.

In addition, a supplemental STD plan allows an employer to limit STD plan features to specific classes of employees. For example, a supplemental STD plan can be limited to salaried employees only versus a TDI plan, which must cover all eligible Rhode Island employees.



Claims

How does an employee submit a claim for RI TDI?

Employees can submit their claim either electronically or by paper claim form.

- Online:
Claimants can submit their claim electronically via Rhode Island's Internet Claims System at <http://www.dlt.ri.gov/tdi/TDIfile.htm>.
- Paper Claim Forms:
Claim forms can be downloaded from the state's website (<http://www.dlt.ri.gov/tdi/TDIfile.htm>) or employee's can request that a form be mailed to them by calling 401-462-8420 (Option 1).

Paper claim forms must be mailed to:

Temporary Disability Insurance
P.O. Box 20100
Cranston, RI 02920-0941

What information does the employer need to provide when a claim is submitted?

Once an employee submits a TDI claim, the state will contact the employer for wage and employment reports. This information is needed to verify the employee's eligibility for benefits. Failure to respond to this notice within seven business days may result in a fine.

Can an employer integrate TDI with sick pay/salary continuation?

Because TDI eligibility is not tied to an earnings loss, employees may receive both their TDI benefit and salary continuation/sick pay from their employer. This could result in the individual receiving more than their pre-disability earnings while disabled. To prevent this, employers may reduce any salary continuation by the employee's TDI benefit amount. This is an employer's choice, outside of the scope of TDI requirements.

Unfortunately, Rhode Island will not share TDI benefit information with an employer. The TDI law contains a confidentiality provision that prohibits the release of any information regarding a TDI claim. The only way an employer will know that their employee submitted a TDI claim is if the state requests the employee's wage or employment information.

How are TDI benefits paid?

When filing a claim, employees have the option to select their method of benefit payment. TDI benefits can be paid either by Direct Deposit into the claimant's bank account or via a Visa Electronic Payment Card (EPC). Rhode Island no longer issues benefit checks.

If the EPC option is selected, claimants should keep their debit cards even after TDI benefits end. The cards are valid for five years from the date of issue and any subsequent benefits that become payable will be issued to claimant's original card.

Are TDI benefits taxed?

No. TDI benefits are not taxable income because the coverage is fully funded by employee contributions.

Is an employee on a temporary leave of absence eligible for TDI?

An employee on a leave of absence may still be eligible for TDI benefits even though they were not actively at work when their disability began. To be eligible, the employee must meet the earnings criteria in the base period prior to their disability (i.e., earned at least \$13,800 in base period wages). If an employee on a temporary leave can meet this requirement, they may be eligible for benefits.

Can an employee receive both TDI benefits and Unemployment Insurance (UI) at the same time?

No. When an employee is receiving unemployment, he/she is ineligible to receive TDI benefits and vice versa. Individuals who are both unemployed and disabled should file a claim for TDI for the period of disability. Once the disability ends, the individual may then file an Unemployment claim. Eligibility for UI is based upon the person being able, available, and actively seeking full-time work.

If a Rhode Island employee's TDI benefits are denied or terminated, can he/she appeal to the state?

Yes. All benefit decisions may be appealed to the state. Written appeals must be submitted within 15 days of the adverse claim decision (period may be extended if good cause is shown). Claimants should mail or fax their request to the TDI Appeals Coordinator. A hearing will then be scheduled before a Referee (Hearing Officer) at the Board of Review.



Rhode Island Temporary Caregiver Insurance (TCI)

What is TCI?

The Temporary Caregiver Insurance Program (TCI) pays family leave benefits to eligible workers. TCI was established within the state's existing Temporary Disability Insurance program (TDI). As a result, weekly benefit amounts and eligibility requirements will be the same as TDI and benefits under TCI will be funded through the existing TDI tax on Rhode Island employee wages. Rhode Island TCI includes the extension of job protection during the leave in addition to wage replacement.

Under TCI law:

- Eligible claimants can receive up to four weeks of caregiver benefits to care for a seriously ill child, spouse, domestic partner, parent, parent-in-law, or grandparent, or to bond with a newborn child newly adopted child or new foster-care child.
- Employees must notify their employer of their intent to use the leave a minimum of 30 days prior. Failure to do so may result in delay or reduction of benefits, except if the need for leave is unforeseeable.
- Employees cannot receive TDI and TCI benefits at the same time.
- Employees who exercise their right to TCI leave must be restored to the position they held prior to the leave with equal seniority, status, employment benefits, pay and service credit.
- Health insurance coverage is continued during TCI leave provided that the employee continues to pay his/her share of any required contributions.
- Employers may require employees to take TCI leave concurrent with Federal FMLA or Rhode Island Parental and Family leave.

Employers are encouraged to consult the department's website for additional information (<http://www.dlt.ri.gov/tdi/>).

Will Prudential pay TCI benefits?

No. Similar to Rhode Island's TDI program, TCI benefits will only be available through state plan participation. Private carriers such as Prudential are not permitted to insure or administer TDI benefits or the TCI program.



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