

SB 22, LONG-TERM DISABILITY MODIFICATIONS

(Harper, W)

Anticipated Fiscal Impact: No Additional Appropriation.

Summary

SB 22 (2025) makes four benefit enhancements to the PEHP LTD Program that would bring the Program more in line with industry standards. The benefit enhancements include:

First, when a person has been receiving disability for two years, the member must show that they are unable to perform any “gainful occupation”. This bill changes the definition of gainful occupation to mean 60% of the person’s regular monthly salary. Before, it was capped at full-time minimum wage.

Second, this bill would allow an employee to receive a disability benefit for hours worked in excess of their normal schedule, up to 10 hours per week, at the base rate of pay.

Third, this bill grants a lump-sum death benefit to a beneficiary for a person who passes away while on long-term disability. The benefit is three months of the person’s monthly disability benefit.

Fourth, this bill allows a person receiving disability benefits to receive life assistance counseling as if they were an employee.

No additional appropriation is necessary for these benefits because the overall base rate for LTD, including these enhancements, has been reduced from .5% to .425%.