

GROUP SHORT-TERM DISABILITY

New York Disability Benefit Law (NY DBL) with Paid Family Leave (NY PFL) rider

Employers' Reference Guide
Updated for 2021



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Introduction

Answers to Frequently Asked Questions

What are the New York Disability Benefits Law (NY DBL) and Paid Family Leave Law (NY PFL)?

Several states require employers to offer their employees a minimum amount of Short-Term Disability (STD) insurance and/or Paid Family Leave insurance. In New York, the statutory STD plan is called Disability Benefits Law, or NY DBL. The Paid Family Leave plan is simply called Paid Family Leave (NY PFL)

Which employers have to offer this plan?

Generally, all employers that have employees working in New York must offer these statutory benefits, regardless of where the employer head-quarters is actually located. There are a few exceptions. The following are not required to offer NY DBL:

- Members of religious organizations
- Professional and/or teaching employees of religious, charitable, or educational groups
- Municipalities

What does the NY DBL plan cover?

Disability benefits under the NY DBL plan are temporary cash benefits paid to an eligible wage earner, when he/she is disabled by an off-the-job injury or illness. NY DBL provides weekly cash benefits to replace, in part, wages lost due to injuries or illnesses that do not arise out of or in the course of employment.

What does the NY PFL plan cover?

Leave benefits under NY PFL plan are temporary cash benefits paid to an eligible wage earner, when he/she needs to take time off to care for a family member. The three acceptable reasons include; 1) To bond with a newborn or newly adopted family member; 2) To care for a family member with a serious health condition; and 3) For qualifying military exigency. Please note that serious health condition includes transplantation

preparation and recovery from surgery related to organ or tissue donation and therefore, eligible employees can take NY PFL to care for covered family members serving as organ and tissue donors. The NY PFL provides job protection for the employee while he or she takes time away from work. Please note that the NY DBL does not have job protection.

What is the plan design?

Sun Life and Health Insurance Company (U.S) offers the statutory NY DBL and NY PFL plans with set benefit levels that are determined by the State of New York. We also offer an enhanced NY DBL plan with benefits in excess of the statutory Disability requirements.

For the NY DBL plan, benefits are 50 percent of a claimant's average weekly wage, but no more than the maximum benefit allowed, currently \$170 per week. Benefits are paid for a maximum of 26 weeks of disability during 52 consecutive weeks. For employed workers, there is a 7-day waiting period for which no benefits are paid. Benefit rights begin on the eighth consecutive day of disability. Please refer to your NY DBL policy for the specific benefits purchased by your organization.

The NY DBL benefits have had a cap of \$170 since the law was adopted and there is no current plan to increase that benefit. Under the NY PFL plan, the NY PFL benefits will increase overtime. For a full schedule of benefits, please review Sun Life's NY PFL website (www.sunlife.com/nypfl). In 2021, NY PFL benefits will top out at 66.67% salary replacement for 12 weeks of leave. Under the statutory scheme, an employee may not take more than a combined total of 26 weeks of NY PFL and NY DBL benefits in a 52-week period. There is no waiting or elimination period for NY PFL benefits.

Do employees pay for all or part of their NY DBL coverage?

As the employer, you are allowed, but not required, to collect contributions from employees to offset the cost of providing NY DBL benefits.

Do employees pay for all or part of their NY PFL coverage?

The state intended for this program to be funded entirely by employees. Employers do have the option of paying for this benefit if they choose but cannot be forced to contribute.

What does the employer have to do when there is a employee seeking benefits?

For NY DBL, an employer must supply an employee who has been disabled more than 7 days with a Statement of Rights under the Disability Benefits Law (form DB-271) within 5 days of learning that the worker is disabled.

For NY PFL, employers must provide their employee with a Statement of Rights (form PFL-271S) when he or she takes Paid Family Leave or takes time off from work for a Paid Family Leave qualifying event, but doesn't request Paid Family Leave benefits.

If an employer has both NY DBL and STD, how are claims handled?

If an employee becomes disabled and is covered for both Short-Term Disability and NY DBL, he or she only needs to fill out the NY DBL claim form. We will accept the fully completed NY DBL claim form in lieu of having the employee complete our standard STD claim form, although additional information may be requested. If a disabled employee has both STD and NY DBL coverage, the STD benefits will be offset by the NY DBL benefits.

Notifying Employees

Notice of Compliance

All employers covered by the NY DBL and NY PFL law must post and maintain conspicuously at the place of business, the Notices of Compliance (Form DB-120 and PFL 120). These legal documents will be posted to Sun Life Connect, customized with your plan information.

Claims and Statement of Rights

Whenever an employee is absent from work due to disability for more than 7 consecutive days, you must provide him or her with the NY DBL claim

form (Form DB-450) and the Statement of Rights under the Disability Benefits Law (Form DB-271). You must provide the forms within 5 days of the start of the absence. The forms are available in the Forms section of your web portal or from your account manager.

For NY PFL, when an employee submits a PFL-1 request for NY PFL the employer has 3 business days to complete the Employer Section of the PFL-1 and return it to the employee.

Managing Membership & Billing

This section of the NY DBL/PFL Employer's Reference Guide gives a brief introduction to the billing methods. You can find full details about administration and billing in our customer web portal.

Self-Administration

In order to offer NY PFL to our NY DBL Clients, Sun Life requires premium billing to be self-administered and paid quarterly and in arrears. As a self-bill Client, you may complete the invoice online or in paper form.

Things to know before you get started

- Premium for NY DBL and NY PFL will be billed together. However, the methods to determine the premium for each product are slightly different.
- Most NY DBL coverages are billed on a per employee per month basis split by gender*.
- NY PFL coverage is always billed as a percentage of covered payroll. (We bill premium in arrears for this reason.) For NY PFL, this amount is determined as a percentage of each employee's weekly covered payroll.
- The rate for NY PFL is set by the state of New York and adjusted annually.
- You may need monthly and weekly earnings for each employee in order to calculate premium for both NY DBL and NY PFL.

*Unless your NY DBL benefit is calculated using a different rate basis. Please refer to your contract and reach out to your Client Relationship Executive for any additional support.

Calculate your bill

STEP 1: Determine NY DBL premiums

For NY DBL rates that do not include a volume, no volume cap is needed. For rates based on per employee per month or per employee split by gender per month, the calculation is straightforward:

$$\text{Monthly Rate} \times \text{Employee Population (or gender population)} = \text{Premium Due}$$

NY DBL Formula (Gender Rates)

Number of Employed Males	x Male Rate	Premium cost for coverage of Male Employees
Number of Employed Females	x Female Rate	Premium cost for coverage of Female Employees
Total monthly cost		Add Male and Female premium cost

Note: When calculating your rate for Q1 2021, please provide the first quarter's average lives for January–March with the cumulative premium. See example in STEP 4.

STEP 2: Determine NY PFL Cap

NY PFL premiums are based on *eligible payroll amounts*.^{*} Subject to a statutory capped payroll amount. The State of NY has decided that the *premium contribution cap*^{*} is based on the New York State Wide Average Weekly Wage (NY SWAWW) which is also used to determine the maximum NY PFL benefit amount. You will need to calculate a capped payroll amount for employees who earn more than the SWAWW.

- For benefits paid in 2021, NY uses the SWAWW of \$1,450.17.
- Anyone earning more than the SWAWW per week is considered to have an earnings cap of \$1,450.17 weekly or \$75,408.84 yearly. When capped earnings are multiplied by the Statutory PFL rate, the most any one employee will pay for coverage in 2021 is a yearly amount of \$385.34.
- NY PFL Capped Annual Payroll Amount Formula: New York's State Wide Average Weekly Wage x 52 x Statutory PFL Rate = Capped annual premium amount

Example: \$1,450.17 SWAWW x 52 weeks x 0.511% = \$385.34

Once you have the capped payroll amount, you can calculate employee premium.

STEP 3: Determine NY PFL Premium

NY PFL premium is a straight percentage of payroll, up to the capped payroll amount. To calculate the premium for NY PFL, multiply the employee's payroll by the statutory rate percentage (and apply the payroll cap for high wage earners). Please note that you need to deduct the premium from variable payments such as bonuses as well as regular payments such as salaries. See example in STEP 4.

STEP 4: Populate the Summary Statement

(see next page for sample view of Summary Statement)

The Self Admin Summary Statement will reflect quarterly rates for NY DBL and PFL effective 1/1/21. In order to update the statements based on the calculations completed above, the lives and volumes need to be the average for the quarter.

NY DBL rate example (assuming NY DBL lives as follows)

Month	Male EE	Mo. Rate	Mo. Premium	Female EE	Mo. Rate	Mo. Premium
January	8	2.54	\$20.32	12	5.39	\$64.68
February	7	2.54	\$17.78	12	5.39	\$64.68
March	9	2.54	\$22.86	11	5.39	\$59.29

The average lives for Male EEs would be 8 and the average lives for Female EEs would be 12 (~11.67).

The Summary Statement would be populated as follows:

Benefit	Option	Age	Lives	Rate (Monthly rate x 3 months)	Calculate	Current Period
NY DBL Basic (Unit)	50% to \$170, Min \$20	00-99	8	7.620	Per Unit	\$60.96
NY DBL Basic (Unit)	50% to \$170, Min \$20	00-99	12	16.170	Per Unit	\$188.65

NY PFL rate examples

Employee 1: Salaried and will earn \$50,000 this year

\$961.54 (weekly earnings)	x	6.643% (0.511% x 13 weeks)	=	\$63.88 quarterly premium for this employee
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Employee 2: Salaried and will earn \$78,000 this year

*this annual salary example should increase

\$1,450.17 (capped weekly earnings)	x	6.643% (0.511% x 13 weeks)	=	\$96.33 quarterly premium for this employee
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While the NY DBL rate can be calculated by average number of employees (by gender), the NY PFL rate must be calculated per employee and the entire premium owed is reported on the Summary Statement.

Assuming that there are 10 employees earning \$50,000 this year and 10 employees who exceed the cap, the volume would be reported as:


$$(\$961.54 \times 10) + (\$1,450.17 \times 10) = \$24,117 \text{ (rounded to the nearest 1)}$$

The amount of quarterly premium for the quarter is:

$$(\$63.87 \times 10) + (\$96.33 \times 10) = \$1,602.10$$

The Summary Statement would be populated as follows:

Summary Statement



Client Number
999999

Client Services
800-247-6875

Payment Address
Send your payment to the address listed in your statement

Billing Group Number
12345-0000

Web Site
www.sunlife.com/us

Payment Due Date
mm/dd/yyyy

Covered benefits	Description	Age	Lives	Rate	Calculate	Volume	Current Period	Adjustments	Total
NY DBL	50% to \$170, Min \$20	0-99	8	\$	Per Unit	-	\$ -	\$ -	\$
NY PFL	NY PFL Basic	0-99	20	\$	Per 100	-	\$ -	\$ -	\$
Total									\$

Submitting a NY DBL Claim

NY DBL provides a weekly benefit designed to protect employees from the financial hardships associated with absence from work due to a non-work related injury, sickness, or disease. The following claim procedures have been designed to ensure timely, equitable, and effective management of all NY DBL claims.

To ensure prompt review of your NY DBL claims, please have the employee submit the claim online or forward all completed claim forms and all other claim-related materials to the following address:

Sun Life
 NY DBL Claims, SC 4372
 One Sun Life Executive Park
 PO Box 81915
 Wellesley Hills, MA 02481
 Fax: 781-304-5599

For prompt handling of mail, please include the department code (SC 4372) on all correspondence. In addition, be sure that you and your employees include the following identifying information on all correspondence, especially medical information forwarded to Sun Life:

- Employee's full name
- Employee's Social Security number
- Group policy number

Please take time to read and understand the claim provisions outlined in your group policy. You should pay particular attention to eligibility requirements and limitations, policy exclusions, procedures for filing claims, and the applicable time frames and deadlines.

Should you have any questions about these procedures or your group policy, or if you need any additional information, please call Client Services at 800-247-6875.

Check Claim Status Online

Our employer portal, Sun Life Connect gives you the ability to instantly access claim status for your employees' NY DBL claims. You can sort by date, name, or type of coverage and get a summary view of all claims or see details about individual benefit payments.

To get started, select *View claim status* from the claims menu on the home page. If you need help, click *Help*.

Your Employees Can Access Claim Status Online or by Phone

Employees who have submitted a NY DBL claim also can easily access their claim status, 24 hours a day, 7 days a week. On the member portal, sunlife.com/account, employees can click on "View disability claim/leave status." The system lets them see the most up-to-date payment and claim information, the expected issue date of their next benefit check, and even lets them upload claims related documents.

For employees who prefer to check their claim status over the phone, our interactive voice response system provides access to the same up-to-date information as our website. Employees call one toll-free number, 800-247-6875, and follow the prompts for fast, automated service.

Submitting an Initial Claim

An initial NY DBL claim should be submitted when it first appears that an eligible employee's disability will extend beyond the required elimination period.

Eligibility requirements differ between policies. Please refer to your specific group policy to determine the appropriate eligible class(es), the waiting period, exclusions, limitations, and elimination period. After reviewing your group policy, if you are uncertain whether an employee is eligible for benefits, please call Client Services at 800-247-6875.

The NY DBL Claim Form

Once you have determined that an employee is eligible for benefits, please direct the employee to submit the claim online at www.sunlife.com/account by selecting "Submit a disability claim/

leave" or provide the employee with the NY DBL Claim Form (Form number DB 450). You should complete the Employer's section first. Then, please be sure the employee completes the Employee section and provides the Physician statement to his or her attending physician. The employee should return the completed claim form and all supporting materials (physician's treatment notes, results of diagnostic tests, employee's enrollment form, etc.) to Sun Life as soon as possible. The employee also should retain a photocopy of the initial claim submission for his/her records.

The NY DBL Claim packet includes:

- Employer's Statement
- Job Requirements Form
- Employee's Statement
- Employee's Authorization
- Attending Physician's Statement

Please have the employee also include any other information that may be relevant to the claim investigation. This may include attending physicians' records, hospital records, X-rays or other medical testing, and salary confirmation, etc. Below is a brief description of each section of the claim packet.

Employer's Statement: You or the authorized representative of the employer should complete the Employer's section of the NY DBL Claim Packet in full. All of the information requested is essential to effective claim management and accurate benefit payment. Please complete the Employer section before supplying the claim packet to the employee for completion. Please pay particular attention to the following areas:

Average Weekly Earnings: NY DBL benefit payments are based on the employee's average weekly earnings for the 8 weeks immediately preceding the last day worked. This should reflect the employee's base weekly salary just prior to the last day worked. To compute the average weekly wage, divide the employee's total earnings (including salary, board, lodging, gratuities, etc.) paid by you to your employee during the 8 weeks immediately preceding and including his/her last day worked prior to the

commencement of disability, by the number of weeks during which he/she worked on at least 1 day during such 8 week period.

Other Sources of Income: Please be sure to indicate any other income the employee may be receiving as a result of this disability, including accumulated sick leave pay or salary continuance.

Job Requirements: This is a section of the Employer's Statement and should be completed for all disabilities. It outlines the physical and non-physical aspects of the occupation the employee was performing immediately prior to his/her disability. If possible, this section should be completed in full by the employee's immediate supervisor or manager.

Employee's Statement: This statement outlines the information that is needed from the employee to process the claim. All information requested should be provided with as much detail as possible.

Employee's Authorization: This form is part of the Employee's Statement and authorizes the release of pertinent information that may be needed for claim investigation and adjudication. It should be carefully reviewed by the employee, signed, dated, and returned with the Employee's Statement.

Attending Physician's Statement: This statement provides relevant medical information about the employee's current condition, treatment program, extent of limitations/restrictions, and prognosis. The statement must be completed in full by the employee's treating physician.

If there is more than one physician responsible for the employee's medical care, a completed form should be submitted from each treating physician. The physician must sign the Physician's Statement in order for it to be accepted.

Time Requirements for Proof of Claim

Although your group policy states that proof of claim must be received no later than 90 days after the end of the elimination period, we prefer to receive the initial claim forms as soon as it is determined that the employee's absence from work will last longer than the elimination period.

Please refer to your group policy to determine the length of the elimination period. By receiving the initial claim forms early, we can thoroughly investigate the claim for disability during the elimination period and make a determination prior to the due date of the first disability payment.

Claim forms should not be submitted prior to the employee's last day of work.

It is important for the employer, the employee, and the treating or attending physician to complete all of the forms in as much detail as possible. Failure to provide complete information could result in the need for additional claim investigation that could delay the initial benefit payment. Should you have any questions regarding the information needed, please contact Client Services at 800-247-6875.

Reviewing Claims

Claim Review

Once we have received the completed claim forms, the claim will be carefully reviewed by one of our claim examiners.

Some claims may require additional investigation, and others are payable upon receipt. If additional information is needed to make a final claim determination, you will be notified regarding the information that has been requested or the actions taken to ensure timely and effective resolution of the claim. (In some circumstances, the employer receives the request for additional information. However, in most cases, it is sent to the employee.) Once the requested information has been received, we will notify you regarding our final claim determination.

Claim Approval

Once we have completed our review of the claim and made a determination under the terms of the group policy, we will approve the initial claim payment, and a check will be forwarded either to the plan administrator or directly to the employee. The first benefit check will include all benefits due from the first eligible payment date through the approved payment period. The employee will continue to receive a weekly

disability check for as long as he or she continues to be totally disabled in accordance with the policy provisions. The benefit is payable at the end of each week for that week.

Claim Denial

In the event that a NY DBL claim is not payable in accordance with the statutory provisions, we will notify the employee by sending him or her a Denial of Claim (form number DB 451). The notification will specifically address the reasons for the denial and outline the claim review procedure should the employee disagree with our determination. The plan administrator will also receive a letter with information about the denial; however, confidential information cannot be included in the letter.

Right to Appeal

If the employee disagrees with the DBL claim denial, a written appeal should be sent to the State of New York Workers' Compensation Board. Employees can find the address for the WCB on the Statement of Rights (form DB 271) supplied to them when they filed their initial claim. Upon receipt of this information, the WCB conducts a review of the claim and notifies the employer, employee, and Sun Life of the determination.

Investigating Ongoing Claims

Once the initial claim has been approved, we may find it necessary to request periodic proof in support of continued disability.

We use the employee check stub to request additional information and explain the employee's NY DBL benefits. To avoid any delay in weekly benefit payments, the employee should always keep and read the check stub to find out whether he or she needs to provide additional information to support continued benefit payments.

We also may contact the employee's treating or attending physician directly if more detailed information is needed to effectively manage the claim. To remain eligible for benefits, the employee must remain under the regular care and treatment of a fully qualified physician.

Notifying Us When an Employee Returns to Work

Please call 800-247-6875 and notify us as soon as an employee returns to work after having received NY DBL benefits. Your prompt notification helps avoid overpayment and saves you additional administrative responsibilities. If any checks have been issued that pay beyond the date the employee returned to work, they should be returned to us so that no overpayment occurs.

You also may call us before an employee returns to work and notify us of the expected return to work date. Then, when the employee reports to work, please call back to confirm the actual return to work date. This helps us determine when to stop additional payments so that you avoid having to return an overpayment.

Maternity Claims

Federal legislation mandates that maternity-related disabilities be treated as any other illness.

The Family and Medical Leave Act, which became law in 1993, specifies that any employee of a public agency or a private sector employer, with at least 50 employees at a worksite, has the right to 12 weeks of unpaid leave per 12-month period for childbirth, the adoption of a child, the placement of a foster child with the employee, or to tend to the serious medical condition of a child, parent, spouse, or the employee himself.

Paid leave, such as sick time, vacation, or disability benefits may be substituted for unpaid leave.

This leave of absence provision does not affect disability claims under the NY DBL contract.

To ensure equitable, accurate, and consistent adjudication of maternity claims, we follow these guidelines:

1. The Disability Benefit Law claim form is received and reviewed by our benefit examiner. The claim form should be submitted as soon as the employee stops working. The employee should check to be sure that all sections of the form are fully completed to prevent any delay in claim handling.

The expected date of delivery is obtained. If the employee has not yet delivered, the plan administrator or the employee should notify us of the expected delivery date. If the employee has delivered, the administrator or employee should notify us of the actual delivery date and type of delivery.

2. If the medical information supplied by the attending or treating physician certifies disability within the accepted medical guidelines, the benefit examiner begins to process the initial claim payment. If there is no apparent medical reason for disability outside of normal guidelines, a claim investigation will be initiated to determine if the additional benefits are payable in accordance with the provisions of the group policy.
3. Once the delivery date is established, information will be sent to the plan administrator and employee outlining the standard duration of benefits for maternity claims.
4. If an extension is approved, the employee will receive benefits for any further period of medically certified disability.
5. If you or the employee has any questions or concerns regarding the disability claim, he or she should contact Sun Life at 800-247-6875.

Answers to Frequently Asked Questions about Maternity Claims

Is the employee automatically allowed to stop working 1 week before her expected delivery date?

Not necessarily. In many instances, an employee could perform her occupation right up to the day of delivery, while others have specific medical problems that could cause disability to begin earlier. The date the disability begins would depend on the employee's job and the medical restrictions and limitations outlined by the employee's attending physician.

If the physician extends disability beyond the post partum guideline, are benefits automatically extended?

No. If the medical condition prevents an employee from returning to work as scheduled,

documentation by the physician outlining the medical condition, specific restrictions, and limitations must be provided to the benefit examiner. At this point the claim will be reviewed to determine if further benefits will be extended.

Are time for bonding with the baby and breast feeding considered complications of pregnancy?

No. Disability benefits are available for time lost due to the inability of the employee to perform the duties of her occupation. Custodial complications or care that may occur with a newborn child are not considered to be a disabling condition under the group policy. Please note that paid leave for bonding is available under NY PFL and the claimant can file to take PFL for bonding following her childbirth recovery.

The information above outlines the standard guidelines for handling of maternity claims. Each claim will be individually evaluated based on the specific information contained in the file and the group policy provisions. The guidelines will help us to ensure that all maternity claims are paid in accordance with the group policy provisions in a timely and consistent manner.

Work-Related Disabilities

Disability Benefit Law benefits are not designed to cover work-related injuries or illness. They do not replace or affect coverage provided by your Workers' Compensation carrier. To alleviate confusion regarding how work-related Disability Benefit Law claims will be handled when the group policy has been specifically written to exclude these disabilities, we have outlined the following administrative procedures:

1. The claim form is received and reviewed by the benefit examiner. The claim form should be submitted as soon as the employee stops working. The employee should check to be sure that all sections of the form have been fully completed to prevent any delay in claims handling.
2. If the information on the claim form indicates that the employee has been awarded benefits from Workers' Compensation, the claim is not payable under the group policy, and notice of denial would be sent to the employee. Since these claims are clearly not covered by the

group policy, it would be helpful if they were not submitted for consideration.

3. If the information on the claim form indicates that the condition is work-related, but the employee is not yet receiving benefits from Workers' Compensation, you should submit a Notice of Dispute (form C-7) with the claim.

It should be noted that our claim determinations are based on the information contained in our file and the applicable group policy provisions. We are not influenced by, or accountable for, any decision made by the Workers' Compensation insurance carrier under its group policy.

Tax Withholding Reports

Disability Benefit Law benefits that are financed by the employer are considered to be compensation and are taxable under the Federal Insurance Contributions Act (FICA). Federal law requires the withholding of FICA taxes from the employer-paid and employee-paid portion of disability benefits for 6 calendar months following the last calendar month in which the employee worked.

Employee contributions to premium payments for disability benefits are sometimes paid with after-tax dollars, and therefore the portion of the NY DBL benefit attributable to employee contributions is not subject to FICA taxes. However, if the employee pays all or a portion of the premium on a pre-tax basis (before any payroll taxes have been deducted), then the entire benefit is subject to FICA regardless of the employee contribution.

Sun Life deducts the employee's portion of the FICA tax directly from the NY DBL benefit. The employer is responsible for the submission of the employer's portion of the FICA tax to the IRS as well as the preparation of the year-end W-2 forms (unless Sun Life has agreed to provide W-2 reporting or FICA-match services for the employer).

To enable you to prepare the FICA (Form 941) or year-end tax forms (Form W-2), Sun Life will furnish you with a monthly, quarterly, and annual Disability Income Benefit report. This report

lists the name, Social Security number, benefit amount, and the amount of FICA that has been withheld for each disabled employee who received NY DBL benefits during the year.

In addition, employer-paid and the pre-tax employee-paid portion of the disability benefits received by the employee are subject to federal income tax. If an employee would like us to withhold a portion of his or her disability benefits for federal income tax purposes, he or she must complete IRS Form W-4S, specifying the amount of the weekly deduction requested, and return the form to:

Sun Life
NY DBL Claims, SC 4372
One Sun Life Executive Park PO Box 81915
Wellesley Hills, MA 02481

You can download Form W-4S at www.irs.gov (requires Adobe Acrobat Reader).

The minimum deduction available is \$20.00 per week. These deductions will also be reflected on the Disability Income Benefit report. Deductions will only apply to future NY DBL payments.

Submitting a NY PFL Claim

NY PFL provides a weekly benefit designed to protect employees from the financial hardships associated with absence from work due to bonding with a new child, care of a family member with a serious illness or qualifying military exigency. The following claim procedures have been designed to ensure timely, equitable, and effective management of all NY PFL claims.

To ensure prompt review of your NY PFL claims, please have the employee forward all completed claim forms and all other claim-related materials to the following address:

Sun Life PFL Claims, SC 4312
One Sun Life Executive Park PO Box 81915
Wellesley Hills, MA 02481
Email: myclaimdocuments@sunlife.com
Fax: 781-304-5599

For prompt handling of mail, please include the following identifying information on all correspondence forwarded to Sun Life:

- Employee's full name
- Employee's Social Security number
- Group policy number

Please take time to read and understand the claim provisions outlined in your group policy. You should pay particular attention to eligibility requirements and limitations, procedures for filing claims, and the applicable time frames and deadlines.

Should you have any questions about these procedures or your group policy, or if you need any additional information, please call Client Services at 855-629-8811.

Check Claim Status

Our employer portal Sun Life Connect gives you the ability to instantly access claim status for your employees' NY PFL claims. You can sort by date, name, or type of coverage and get a summary view of all claims or see details about individual benefit payments.

To get started, select *View claim status* from the claims menu on the home page.

Your Employees Can Access Claim Status Online or by Phone

Employees who have submitted a NY PFL claim also can easily access their claim status, 24 hours a day, 7 days a week. On the member portal, sunlife.com/account, employees can click on "View disability claim/leave status." The system lets them see the most up-to-date payment and claim information, and the expected issue date of their next benefit check.

For employees who prefer to check their claim status over the phone, our interactive voice response system provides access to the same up-to-date information as our website. Employees call one toll-free number, 855-629-8811, and follow the prompts for fast, automated service.

Submitting an Initial Claim

An initial NY PFL claim should be submitted when it first appears that an eligible employee requires a leave of absence for a qualifying event.

Please refer to your specific group policy to determine the appropriate eligible class(es), the waiting period and limitations. After reviewing your group policy, if you are uncertain whether an employee is eligible for benefits, please call Client Services at 855-629-8811.

The NY PFL Claim Form

Once you have determined that an employee is eligible for benefits, please supply him or her with the corresponding NY PFL claim packet. The employee should complete the employees section first (PFL-1 Section A). Then, the employee must request that you complete the Employer section (PFL-1 Section B).

There are three leave specific NY PFL Claim Packets available:

- Bonding with Child
- Care for Family Member
- Military Exigency

All PFL Claim Packets include the following:

Employees Statement (PFL-1 Section A):

This statement outlines the information that is needed from the employee to process the leave request. All information requested should be provided with as much detail as possible.

Employer's Statement (PFL-1 Section B): You or the authorized representative of the employer should complete the Employer's section of the PFL claim packet in full. All of the information requested is essential to effective claim management and accurate benefit payment.

Please pay particular attention to the following area:

Average Weekly Earnings: NY PFL benefit payments are based on the employee's average weekly earnings for the 8 weeks immediately preceding the NY PFL start date. To compute the average weekly wage, divide the employee's total earnings (including salary, overtime, board, lodging, gratuities, etc.) plus the weekly prorated amount of any bonus or commission received during the preceding 52 weeks. Calculate the gross average weekly wage by adding up the gross amounts paid, and then divide by eight (or the number of weeks worked if less than eight).

Employer Reimbursement: If an employer is going to be paying an employee in a like manner as wages during all or some of the period of NY PFL, and that wage payment is equal to or greater than the NY PFL benefit, the employer may be eligible to be reimbursed the amount of the corresponding NY PFL benefit. If an employer believes that it is entitled to be reimbursed the employer should indicate in the Employer's Statement on the PFL-1 Request form. If an employer requests reimbursement, the NY PFL benefit will not be paid to the employee but rather will be paid to the employer. An employer may want to consult a labor and employment attorney to determine whether or not it is entitled to reimbursement.

The NY PFL Certification Forms

Depending on the requested leave type, in addition to the PFL-1 form, employees must submit the following additional form (depending on the reason for the leave):

Bonding with a child (PFL-2): The employee must complete the PFL-2. Once complete, the employee should submit PFL-1 Sections A and B, and PFL-2 Section C including the required supporting documentation to Sun Life.

Care for family member (PFL-3 and PFL -4):

PFL-3 is the Release of Personal Health Information to be completed by the family member with a serious health condition, or his or her authorized representative. The employee should have the care recipient sign and complete the PFL-3 form and then provide it to the care recipient's health care provider.

PFL-4 is the Health Care Providers Medical Certification form to be completed by the family member's health care provider. The employee should provide the PFL-4 to the health care provider for completion and have the health care provider return the completed form to the employee.

Once the employee receives all completed forms, the employee should submit the PFL-1 Sections A and B and PFL-4 Section D to Sun Life.

Military qualifying (PFL-5): The employee should complete the PFL-5. Once complete, the employee should submit PFL-1 Section A & B and PFL-5 including the required supporting documentation to Sun Life.

The employee also should retain a photocopy of all documents in the initial claim submission for his or her records.

Time Requirements for Proof of Claim

Proof of claim must be received no later than 30 days after the date the leave commences.

It is important for the employer and the employee to complete all of the forms in as much detail as possible. Failure to provide complete information could result in the need for additional investigation which could result in delay or denial of the initial benefit payment. Should you have any questions regarding the information needed, please contact Client Services at 855-629-8811.

Reviewing Claims

Claim Review

Once we have received the completed claim forms, the claim will be carefully reviewed by one of our NY PFL case specialists. Some claims may require additional investigation, and others are payable upon receipt. If additional information is needed to make a final claim determination, the employee will be notified regarding the information that is needed to ensure timely and effective resolution of the claim. Once the requested information has been received, we will notify you regarding our final claim determination.

Claim Approval

Once we have completed our review of the claim and made a determination under the terms of the NY PFL regulations, we will approve the initial claim payment, and a check will be forwarded either to the plan administrator (if a request for reimbursement was made on PFL-1 Section B) or directly to the employee. The first benefit check will include all benefits due from the first eligible payment date to the approved or current payment period. Weekly NY PFL checks will be

issued to the employee for as long as he or she continues to be approved for NY PFL benefits. The NY PFL benefit is payable at the end of each week for that week.

Claim Denial

In the event that a NY PFL claim is not payable in accordance with the NY PFL law, we will notify the employee by sending him or her a denial letter. The letter will specifically address the reasons for the denial and outline the claim review procedure should the employee disagree with our determination. The plan administrator will also receive notification with information about the denial; however, confidential information cannot be included.

Right to Arbitration

Disputes about NY PFL claims decisions are subject to arbitration. The NY PFL regulations contain a number of provisions describing the arbitration process. The NY WCB has indicated that it will provide carriers with arbitration language to include in denial letters. To date, the WCB has not yet provided that language. This section will be updated accordingly once available.

Notifying Us When an Employee's leave ends

Please call 855-629-8811 and notify us as soon as an employee's NY PFL ends. Your prompt notification helps avoid overpayment and saves you additional administrative responsibilities. If any checks have been issued for periods of time beyond the date the employee was approved for NY PFL, they should be returned to us so that no overpayment occurs.

You also may call us before an employee returns from NY PFL leave and notify us of the expected return to work date. Then, when the employee reports to work, please confirm the actual return to work date. This helps us determine when to stop additional payments so that you avoid having to return an overpayment.

Tax Withholding Reports

NY PFL benefits are not considered to be wage compensation and, therefore, are not taxable under the Federal Insurance Contributions Act (FICA). However, they are subject to both federal and state income taxes. Sun Life will be responsible for reporting the employee's NY PFL benefits as Form 1099-MISC non-wage income if the benefits total \$600 or more in a calendar year or if there is any amount of income tax withholding.

You are responsible for a year-end Form-W-2 to report in box 14 the amount of your employee's contributions for NY PFL.

If an employee would like us to withhold a portion of his or her NY PFL benefits for federal income tax purposes, he or she must complete IRS Form W-4S, specifying the amount of the weekly deduction requested, and return the form to:

Sun Life
NY PFL Claims, SC 4312
One Sun Life Executive Park PO Box 81915
Wellesley Hills, MA 02481

You can download Form W-4S at www.irs.gov (requires Adobe Acrobat Reader).

Deductions will only apply to future NY PFL payments. These deductions will be reflected on the monthly, quarterly, and annual Income Benefit reports furnished to you by Sun Life.



One Sun Life Executive Park • Wellesley Hills, MA 02481
www.sunlife.com/us

In New York, Disability Benefit Law policies are underwritten by Sun Life and Health Insurance Company (U.S.) (Lansing, MI) under Policy Form Series 06P-NY-DBL.

Nothing in this guide is intended to be – and should not be construed as – legal advice. Employers should consult labor and employment counsel.

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