

# MSM

*Where relationships matter*



## 2020

### Agents Guide to Employee Benefits

Specializing in NY-DBL & NJ-TDB for 46 years



**New York**



**New Jersey**

Additional coverages available:

Group Short & Long Term Disability  
Group Term Life w/ ADD  
Group Travel Accident  
Group Dental  
Voluntary & Worksite Benefits

2300 Hylan Boulevard Staten Island, NY 10306  
2024 W. Henrietta Rd, #2A, Rochester, NY 14623  
Ph: (718) 979-0200 Fx: (718) 979-3791



*In our 46<sup>th</sup> year ...*

We at **MSM** have proudly represented the brokerage community since 1974, providing the most competitive employee benefits available.

At **MSM**, our main function is to act strictly as a marketing arm allowing your agency access to the unique blend of carriers we represent. **MSM** will absorb all production requirements with zero passed to your agency. With regards to marketing, we make it standard practice to handle each account, regardless of size, with the same care and concern. Upon completion of our marketing efforts, we will provide a complete & detailed rate-sheet for your review.

In the event you wish to bind coverage through **MSM**, we will license your agency with the respective carrier and list your office as producer on the account. The process works in your favor two-fold; 1) your agency is recognized as producer on the risk and 2) it enables each carrier to release commissions on a direct basis. In addition to the aforementioned, you will receive the same commission structure as if you wrote the account on a direct basis. Note: In many instances, due to our High Producer status with several carriers, you may receive more commissions than you would direct. Through this marketing arrangement, it's as if you receive our service at no cost to your agency.

If you have any questions or if we can be of any assistance please do not hesitate to call or email.

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## Representing

- \* Allstate
  - \* American General
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  - \* Cigna
  - \* Guardian/Arista
  - \* Hartford
  - \* Lincoln Financial
  - \* Metropolitan
  - \* Mutual of Omaha
  - \* Prudential
  - \* Reliance Standard
  - \* Shelter Point
  - \* Standard of New York
  - \* Standard Security
  - \* Sun Financial
  - \* Unum
-

## New York DBL Quick Reference Chart

### Annual in Advance

Carrier	Lives	Male	Female
Standard Security	1-49	18.00	39.60
Arch	1-49	19.70	44.50
Shelter Point	1-49	21.00	45.60
Guardian (Downstate)	1-49	21.77	50.65
Guardian (Upstate)	1-25	26.52	57.59
Security Mutual	1-9	26.50	60.00
First Ameritas	1-10	29.97	63.56
Dearborn National	1-4	32.62	60.58
Mutual of Omaha	1-8	29.16	69.24
American General	1-10	38.00	82.00

\* Rates illustrated are per employee / annually

### Quarterly in Arrears

Carrier	Lives	Male	Female
Standard Security	1-49	1.50	3.30
Arch	11-49	1.98	4.48
Hartford	8-49	2.06	4.20
Shelter Point	11-49	2.15	4.60
Security Mutual	10-49	2.20	5.00
Mutual of Omaha	10-49	2.35	5.45
Guardian	6-49	2.44	5.41
First Ameritas	11-49	2.70	5.90
Dearborn National	5-49	2.80	5.20
American General	11-49	3.25	6.99

\* Rates illustrated are per employee / monthly

**Under 50 – Enriched Rates available @**

**[www.MSMGeneral.com](http://www.MSMGeneral.com)**

## Payroll Rates

Percent Female	Rate per \$100
0 – 10 %	0.35
11 – 20 %	0.39
21 – 40 %	0.43
41 – 60 %	0.51
61 – 80 %	0.62
81 – 100 %	0.81

\* Rates provided are for under 50 lives only

### Why use a payroll rate ?

The payroll rate should be considered when the account consists mostly of part-time employees. By utilizing a payroll rate when there are low payrolls, the risk is charged only for the existing exposure

#### Example:

30 employees each earning an average of \$5,000 per year; totaling \$150,000 in total covered payroll.

Rate Structure	Per Capita	Payroll
Volume	30 employees	150,000
Rate, male	1.50	0.51
Rate, female	3.30	0.51
Premium	864.00	765.00
Savings		99.00
Difference		12 %

\* Based on 15 males & 15 females all earning \$5,000

#### NOTES:

Maximum coverage payroll is capped @ \$17,680 per employee, based on the current maximum benefit: 50% of salary to a maximum of \$170 per week.

$$(\$17,680 / 52 \times 0.50 = \$170 \text{ per week})$$

50+ life accounts require underwriting approval

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## Who is eligible for DBL benefits

Most wage earners employed in New York State are eligible if they are working for a covered employer.

- Full-time employees, who are new to the labor force are eligible after they have worked for four (4) consecutive weeks
- Part-time employees who are new to the labor force are eligible on the 25<sup>th</sup> day of regular employment for one employer

(Under the law, part-time employment is defined as other than the employer's normal work week. Any part of a day worked is considered a day of employment)

- Employees who have been receiving unemployment benefits are eligible immediately once they begin work; if prior employment is covered employment
  - New employees who have previously established DBL eligibility with another employer are eligible as soon as they begin work, as long as the gap in employment is not more than four (4) weeks
  - Personal or Domestic employees working for the same employer in a private home at least forty (40) hours a week
  - The spouse working for a Sole Proprietor or Partnership, unless excluded by the employer
  - Employed college students are eligible for DBL if they meet any of the requirements above
  - A corporate officer is an employee and will be covered as such unless he is a nominal officer or receives no wages or remuneration for his service
-

## Who is not eligible for DBL benefits

- One or two corporate officers who either singly or jointly own all of the stock and hold all of the offices of a corporation with no other employees
- Government, railroad or maritime workers, minor children of employers, Golf Caddies or Independent Contractors
- Ministers, Priests, Rabbis, Sextons, Christian Science readers or members of a religious order
- Persons engaged in a professional or teaching capacity in or for a non-profit religious, charitable or educational institution; persons receiving rehabilitative services in a sheltered workshop operated by such institutions under a certificate issued by the U.S. Department of Labor
- Persons receiving aid from religious, charitable or educational institutions who perform work in return for such aid
- Students in elementary or secondary school who work part-time during the school year or during regular vacation periods
- Employees during the first 45 days of “extra employment” defined as those not normally in the labor market who may be hired in the regular and usual course of business to do work for a limited special period of time
- Employees in “causal employment”; defined as an employee who normally works in a different occupation, hired for a day or less
- Corporate Directors not acting as employees
- Partners & Proprietors are not required but must provide coverage for employees
- Executive Officers of an incorporated non-profit Religious, charitable or educational institution

### **Benefits (Employed)**

Statutory benefits are 50% of your average weekly wage (based on your last 8 weeks of employment) to a max of \$170 per week. Benefits begin on the 8<sup>th</sup> day of disability and are paid for 26 weeks maximum, during any 52 week period.

Minimum benefit = \$20.

### **Benefits (Unemployed)**

Unemployed workers who are receiving Unemployment Insurance Benefits and become disabled within 4 weeks from termination of employment, benefits are paid by the former employer's insurance carrier.

If an unemployed worker becomes disabled more than 4 weeks but within 26 weeks after termination of employment and is either eligible for or is receiving unemployment insurance, benefits are paid from the 1<sup>st</sup> day of total disability and unemployment insurance is discontinued. Unemployed workers are paid by a special fund for disability benefits.

### **How does an employee file a claim ?**

A claim form (DB-450) must be completed as follows and submitted to the insuring carrier. Note, in order to qualify for benefits, the claimant must be under the care of a licensed/certified physician.

#### **STEP 1: Part A – Claimants Statement**

Employee/Claimant must complete & sign

#### **STEP 2: Part B – Physicians Statement**

The tending physician must complete & sign testifying the claimant is disabled and unable to perform the material duties of employment

#### **STEP 3: Part C – Employers' Statement**

The employer must certify employment and provide the necessary information needed for the carrier to process the claim

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**Is there a time limit to file a claim ?**

YES. A claimant must file their claim within 30 days after they become disabled. Claims filed beyond 30 days are not necessarily rejected, but they will not be paid for any disability period more than 2 weeks before the claim is filed; unless they can prove that it was not reasonably possible to file earlier. The claimant will not receive benefits if the claim is filed more than 26 weeks after the disability begins.

**Can a claimant appeal rejection ?**

YES. A claimant may appeal the carrier's decision directly with the Workers Comp Board within 26 weeks after receiving a notice of denial of benefits. The Board will examine the case and hold a hearing to determine if benefits should be paid.

**Taxation of Benefits**

Benefits are required to be reported as income. The insurance carrier, acting as a third party payer, is required to withhold FICA from DBL benefits paid in the first 6 months following the onset of disability.

**Are Non-New York employees eligible for benefits under their employers' DBL ?**

YES, in some instances. Eligibility is usually based on the state in which the employee works. However employees working outside of New York are covered if their service is not localized in any other state, but some of the service is performed within New York and;

- 1)** Employees base of operations is in New York
  - 2)** No base of operations in any state, but the employee is directed and controlled from New York
  - 3)** The base of operations or place from which the service is directed or controlled is not in any state state in which some part of service is performed, and the employee's residence is in New York
-

**Will an employee lose eligibility if they change jobs or become unemployed ?**

If you change from a job with one “covered employer” to another “covered employer”, you are protected from the first day on the new job. If you change to a job in an exempt employment of with a “non-covered” employer and work in such employment for more than four (4) weeks, you lose protection until you satisfy the four (4) consecutive weeks in a “covered employer”. Generally, you do not lose protection during the first 26 weeks of unemployment, provided you are eligible for and are claiming unemployment insurance benefits.

**Can an employee receive both DBL and Social Security benefits ?**

YES. If an employee is entitled to disability benefits, the fact that they are eligible for receiving Social Security benefits does not affect their right to collect DBL.

**Does DBL cover pregnancy and/or pregnancy related disabilities ?**

YES. If an employee becomes disabled due to a pregnancy, they can be entitled up to 26 weeks of benefits. Eligibility for benefits is based on certification of disability. If an employee is on a leave of absence without pay and becomes disabled within four (4) weeks of the last day worked, the employee is eligible to collect benefits.

**Is an employee entitled to DBL benefits for disabilities resulting from an auto accident ?**

Yes. An employee injured in an auto accident subject to the No-Fault Law is eligible to receive DBL. No-Fault insurance benefits may be reduced by the amount of disability benefits the employee is eligible to receive.

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## Enhanced DBL Options

### Enriched Benefit Levels (50+/-)

<b>Percentages</b>	50% or 60%
<b>Maximum benefit</b>	Multiple option up to \$850
<b>Duration options</b>	26 or 52 weeks

### Extending DBL contracts to employees outside of New York State

If your account is domiciled in New York State and would like to extend coverage to existing employees in another state, the contract may be endorsed to include those employees. The following stipulations apply:

- 1) We can extend only to those states which do not have another non-occupational law
- 2) The main portion of the account (75% est.) must be head-quartered in New York.

### In-Hospital Income Supplement

Upon confinement as an in-patient in a hospital, an employee can collect 2, 2.5 or 3x the maximum weekly benefit. Coverage commences from the first day of confinement and will continue for as long as such confinement continues, up to the maximum benefit period.

### Accidental Death or Dismemberment

Provides a death benefit of 100 to 200x the maximum weekly benefit.

**For quote please call or email:**

**(718) 979-0200 MZazz@MSMGeneral.com**



## PAID FAMILY LEAVE

### Rate Info

**Rate:** There is no fixed rate as it is based on the employee's salary.

The **weekly contribution rate for Paid Family Leave is 0.27%** of the employee's weekly wage, capped at New York State's current average weekly wage of \$1,401.16 (\$72,860.32 annually). This translates into a maximum contribution of \$3.78 per week (\$196.72 annually) per employee in 2020, regardless of gender, age, or other factors.

**NOTE:** The PFL premiums must be paid on the same frequency as the DBL; ie if DBL is paid annual in advance, PFL must be paid Annual in Advance, and the same goes with Quarterly in Arrears

### Benefits

**2020 Maximum Benefit = \$840.70**

PFL in New York started on January 1<sup>st</sup> 2018. Benefits phase in over a period of four years, providing the employee a percentage of their average weekly wage.

Year	2018	2019	2020	2021
Benefit %	50%	55%	60%	67%
Duration (wks)	8	10	10	12

## Eligibility (NY-PFL)

### Who Is Eligible

- Employees in the state of New York starting January 2018 if they meet certain criteria:
- They work at a private organization with at least one employee (not counting the owner).
- Full-time employees can take leave after 26 consecutive weeks of employment.
- Part-time employees are eligible to take leave after 175 days of employment.
- Anyone with a qualifying leave event (birth, adoption, foster care, care of family member during a military leave or qualifying medical issue).

**Sole Proprietors, Partnerships and LLC/LLP members (or any other self-employed people with employees) can obtain voluntary coverage for themselves effective 1/1/2018, or within 26 weeks of forming their business or becoming an LLC/LLP member. If they miss the window, there is a 2 year waiting period for PFL benefits. Employees are not subject to the 2 year waiting period.**

### Who Is Not Eligible

- Any employee already receiving total disability (the coverage an injured worker may receive during his or her recovery) benefits.
- Employees on administrative leave.
- Employees who work for an exempt employer.
- Employees who are excluded from coverage under Article 9 of the Disability Benefits Law (DBL) and the Paid Family Leave Benefits Law (PFL).
- Employees working outside New York State.

### **How do employees get coverage?**

For existing customers with DBL coverage, all employees covered by DBL will automatically have NY PFL coverage effective January 1, 2018. The PFL rider will be automatically added to DBL policies continuing in effect in 2018.

### **Who pays for Paid Family Leave?**

New York's Paid Family Leave is entirely employee-funded. That is, the benefit is paid for by employees.

### **Do I have to participate in the Paid Family Leave program?**

Yes, Paid Family Leave is not optional for most employees. The exception is if you are in a job that will not allow you to attain the 26 continuous weeks or 175 days needed to qualify for Paid Family Leave (for example a seasonal worker).

### **What billing frequencies are available to employers?**

The billing frequency of PFL must match the billing frequency of DBL. Because PFL premium is paid by employees, employers who currently pay annually and in-advance are encouraged to switch to quarterly and in-arrears.

### **How is job protection defined for NY PFL?**

Job protection is defined as returning an employee to the same or a comparable job upon return from leave. Employees are also guaranteed continuation of health insurance while out on Paid Family Leave. Where the federal Family Medical Leave Act (FMLA) requires employers with 50 or more lives to job protect, NY PFL provides job protection to all eligible employee working in New York that are covered under Paid Family Leave, up to the maximum number of weeks allowed under the law in any given year.

**Do FMLA and NY PFL run concurrently?**

Yes, potentially for an employer subject to FMLA (50 or more lives).

**Is there a maximum combined benefit for DBL and PFL?**

Yes, DBL and PFL, when combined, cannot exceed 26 weeks in any 52 consecutive calendar weeks. For example, if an employee takes 20 weeks of DBL at the beginning of the year, he or she will only have 6 weeks of available PFL during that 52 week period. The 52 week look back begins on 1st day of PFL taken. Conversely, if an employee takes 8 weeks of Paid Leave at the beginning of the year, he or she will only have 18 weeks of DBL remaining. New York Paid Family Leave Producer Frequently Asked Questions Series 1: Common Employer Questions

**When will employees be eligible for PFL?**

Full Time employees are eligible after 26 consecutive weeks of employment. Part Time employees (defined as employees working less than 5 days) are eligible on the 175th working day.

**Can employees take intermittent leave with Paid Family Leave?**

Yes, intermittent leaves are allowable on an approved PFL claim; however each intermittent day will count as 1 whole PFL day taken.

**What is the Employer's role in the PFL claim submission process?**

Employers will need to fill out Part B of the PFL-1 claim form which confirms date of hire, average weekly wages and any DBL or PFL time already used by the claimant. A claim will not be denied if Part B is incomplete, however to ensure the most accurate benefit is paid, employers will want to make sure this section is completed accurately.

**When can a maternity claim change from DBL to PFL?**

At time of birth, mothers will have the option to continue receiving DBL benefits or begin PFL benefits. PFL benefits are not available for pre-partum.

**What is the definition of Family?**

New York defines family as child, parent (definition of parent includes in-law), grandparent, grandchild, spouse, or domestic partner This can differ from other states PFL definitions as well as the federal definition of family.

**Will I be able to use Paid Family Leave to take care of an eligible relative living outside New York?**

Yes, as long as you are caring for an eligible family member, and provide the medical certification.

**How does a company with an approved self-funded NY DBL program obtain Paid Family Leave?**

A company can either file for self-funding PFL, or can obtain a stand-alone fully insured PFL program from a participating carrier. Rules regarding Paid Family Leave have not yet been finalized. Please note the answers provided are based on the proposed rules and may be subject to change.

**I am not a US citizen. Will I still be eligible for Paid Family Leave?**

Yes. Your citizenship status has no impact on your Paid Family Leave eligibility.

**I am an undocumented worker. Can I take Paid Family Leave?**

Yes. Your immigration status has no impact on your Paid Family Leave eligibility.



**Will I be able to use Paid Family Leave if I work part-time?**

In most instances, yes. You must work 175 days part-time to be eligible for a Paid Family Leave benefit.

**I am collecting workers' compensation. Will I be able to use Paid Family Leave?**

If you are not working and are collecting workers' compensation, you may not use Paid Family Leave.

**I am a freelance worker. Am I eligible for Paid Family Leave?**

If you do not have a regular employer and work as an independent contractor, you will not have Paid Family Leave benefits unless you purchase coverage for yourself.

**I am a farm laborer. Am I eligible for Paid Family Leave?**

If you work in service as a farm laborer, you are not eligible for disability or Paid Family Leave benefits.

**Will I have to take all of my sick time and/or vacation before I use Paid Family Leave?**

An employer may permit you to use vacation or sick leave for full salary, but may not require you to use either.

**Can I take Paid Family Leave and use my sick and/or vacation time together so that I receive my full salary?**

Yes, if your employer allows you to use your sick and vacation time to allow you to receive your full salary, than you can do so.

## New Jersey Temporary Disability - TDB

<b>Benefit (%)</b>	85 % *
<b>Benefit, max.</b>	\$881.00*
<b>Taxable Wage</b>	Employer - \$ 35,300 Employee - \$134,900
<b>Elimination</b>	7 days **
<b>Duration, max.</b>	26 weeks
<b>Contributions</b>	EE - \$0.26/\$100 of tw; ER – Balance
<b>Website</b>	<a href="http://lwd.dol.state.nj.us">http://lwd.dol.state.nj.us</a>
<b>Telephone</b>	(609) 292-7060
<b>Address</b>	Division of Temporary Disability PO Box 387 Trenton, NJ 08625-0387

\*Benefits effective 7/1/2020, capped at 70% of NJS AWW

\*\*Retro to the 1st day after 22 consecutive days of disability

## FAQS

### **Do I have to live in NJ to receive TDB benefits ?**

No. Where you live has no bearing on whether you can receive disability benefits. The most important eligibility requirement is that you worked for a New Jersey covered employer.

### **Can I have more than (1) TDB claim during a year ?**

Yes. You can have multiple disability claims during the year. You must meet the eligibility requirements and have medical documentation for each new claim.

### **Are disability benefits taxable ?**

Yes. A portion of disability benefits is considered taxable income for both the Federal Income Tax and FICA (Social Security). The portion of the benefits payment that is taxable is that portion attributable to the employer's disability contribution. The worker's share of FICA is deducted from benefit payments. The employer is liable for the employer's share of FICA. Federal income tax is withheld only if requested by the claimant.

**For additional information & FAQS please visit:**

**[www.MSMGeneral.com](http://www.MSMGeneral.com)**

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## Ancillary Benefits

### INCOME PROTECTION

#### Disability Income (STD / LTD)

Helps employees make ends meet after a covered accident or illness

### MEDICAL

#### Accident

Helps offset unexpected medical expenses due to a covered accidental injury

#### Hospital confinement indemnity

Provides a lump-sum benefit to help with covered hospital stays or outpatient surgeries

### SURVIVOR BENEFITS

#### Life insurance

Helps provide financial security for employees' family members

### CATASTROPHIC ILLNESS

#### Specified disease (Cancer)

Helps offset out-of-pocket expenses related to cancer

#### Specified disease (Critical Illness)

Provides a lump-sum benefit that can be used to help pay costs related to a covered critical illness

### STATISTICS

- Every 19 seconds someone is injured in an auto accident
  - Every 17 seconds someone is injured at work
  - Every 4 seconds someone is injured in some form of accident
  - 50% of consumers have 3 months or less of living expenses in savings
  - 48% of all home foreclosures are the result of a serious disability
  - On average, 2200 disabling injuries occur every hour
-

## NY-DBL Survey Form

To bind "Under 50" coverage simply complete the information below and return via fax or email.

### ACCOUNT INFORMATION SURVEY

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Industry \_\_\_\_\_

Males \_\_\_\_\_ Females \_\_\_\_\_

Current Carrier \_\_\_\_\_

Desired Carrier \_\_\_\_\_

Effective date \_\_\_\_\_

Fed ID \_\_\_\_\_ UI \_\_\_\_\_

Contributions YES \_\_\_\_\_ NO \_\_\_\_\_

### PRODUCER INFORMATION

Name \_\_\_\_\_

Agency \_\_\_\_\_

Telephone \_\_\_\_\_

Fax \_\_\_\_\_

Email \_\_\_\_\_

**MSM / Multi-line Statutory Managers**

Ph: (718) 979-0200 Fx: (718) 979-3791

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