

# Determining and Recording Short-Term Disability Benefits



Please print or type in black ink.

## Section A. Employer, please provide member's information.

FIRST NAME	MI	LAST NAME	MEMBER ID
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## Section B. Employer, calculate the amount of the member's short-term benefit.

- 1. Annual base rate of compensation** as of the last day the full-time employee worked or exhausted leave, in his/her usual occupation.  
If the employee worked two part-time jobs to reach the membership qualification of 30 hours per week, use an annual estimate.
- 2. Local supplement**, if applicable.  
Give the dollar amount above the base rate; this amount is **not** greater than the annual base rate. (See Form 700, Section D, number 7)
- 3. Subtotal:** Add #1 to #2
- 4. Annual Longevity amount and percentage**, if applicable.  %  
(See Form 700, Section D, number 8)
- 4a.** If there is no local supplement or if the longevity does not apply to any applicable local supplement, multiply % of longevity times the amount in #1 above; or
- 4b.** If longevity does apply to any applicable local supplement, multiply % of longevity times the amount in #3 above.
- 5. Total adjusted annual compensation:** Add #3 to #4a or #4b, whichever is applicable.
- 6. Monthly rate of compensation:** Divide #5 by 12 (months).
- 7. Gross monthly short-term benefit:** Multiply #6 by 50%, not to exceed \$3,000. If greater than \$3,000, enter \$3,000 as the amount.
- 7a. Calculating the first month of short-term disability (STD) pay (if it is a partial month only):** Divide #7 by the number by the total number of calendar days in the first month of STD, then multiply by the number of days the member should receive STD in the first month of STD and pay this amount.
- 7b. Calculating the last month of STD pay (if the last month is a partial month only):** Subtract #7a from #7 and pay this amount.  
Note: Do not use this calculation if the member was not paid STD benefits during all applicable days in the first month of STD (e.g., if the member was exhausting leave). Instead, divide #7 by the number of calendar days in the last month of STD, then multiply by the number of days the member should receive STD in the last month of STD and pay this amount.
- 7c.** All STD months between the first partial month and last partial month (i.e., after the first partial month and before the last partial month) are paid the monthly amount calculated in #7 regardless of how many days are in a given month (unless the monthly STD amount is reduced due to returning to work under Trial Rehabilitation or an earnable allowance offset).  
See Guide A for more information.

Initial Short-Term  
Disability Calculations

 1.

 2.

 3.

 4.

 4a.

 4b.

 5.

 6.

 7.

 7a.

 7b.

 7c.

Please continue to the next page.

**Section C. Employer, please record the short-term payments.**

Check or Direct Deposit Number (Optional)	Date of payment	Begin date of period covered	End date of period covered	Gross amount of payment	*Less earnings reduction	Amount of the payment

\* Complete only if the member exceeded his/her earnable allowance during his/her short-term payment period.

**Section D. Employer, please certify the information you have provided.**

I hereby certify that the information provided about the employee named in Section A is true and correct to the best of my knowledge, and if any of this information changes, I will notify the Retirement Systems Division with a revised Form 711.

Employer Contact Signature \_\_\_\_\_ Date \_\_\_\_\_

EMPLOYER CONTACT FIRST NAME		LAST NAME		EMPLOYER CONTACT JOB TITLE	
AGENCY NAME					TELEPHONE NO.
MAILING ADDRESS					FAX NO.
CITY		STATE	ZIP CODE	E-MAIL ADDRESS	

**Thank you.**

*N.C. Department of State Treasurer, Retirement Systems Division  
3200 Atlantic Avenue, Raleigh, North Carolina 27604  
1-877-NCSECURE (1-877-627-3287) toll-free  
www.myncretirement.com*

REV 20141202

MEMBER LAST NAME	MEMBER SSN (Last 4 digits)

**711**

## Guide A. What is the DIPNC short-term benefit process?

The Disability Income Plan of North Carolina (DIPNC) provides security to eligible members who have at least one year of retirement membership credit by providing the following:

- **Benefit.** A benefit roughly equal to 50% of the employee's compensation. **Note:** The short-term benefit period lasts a maximum of 365 days. Since disability benefits may not be effective on the first day of the calendar month, the maximum STD benefit period may include 13 payments: first partial month, 11 full months, and a final partial month. In the event of death, the employer will pay STD for the entire month in which the death occurred. In the event the member retires following the last month of STD, the employer is required to pay STD through the end of the month prior to the retirement effective date and pay the applicable State Health Plan coverage premiums.
- **Credit.** Retirement credit in the amount of 1/12th year (regardless of employee's retirement service type) for each month while receiving a benefit, unless contributing membership credit is applicable.
- **Health Coverage.** If an employee has 5 years of retirement membership service, under current law, he or she is eligible for paid individual coverage under the State Health Plan 70/30 Plan.

Under the Disability Income Plan, the employer funds the benefit and the health coverage premiums during the short-term. However, if requested, the employer may receive reimbursement for the benefit and the premiums paid during the second six months of the short-term period. (see Form 714).

The following is an overview of the short-term benefit process. The individual forms for the Disability Income Plan of North Carolina give detailed instructions.

## Guide B. How do I complete the Form 711?

Please follow the instructions provided in Section B of this form to calculate the member's short-term benefit.

**The following information serves as a guide to completing Section C of this form.**

- Use each line, starting from the top left side of the chart, to record the short-term payments you paid to your employee in chronological order.
- The check or direct deposit number requested in the chart should correspond to the check or transaction number of the direct deposit.

Step	Action	Form
<b>TO BEGIN SHORT-TERM BENEFITS</b>		
1.	Member submits a completed application for short-term benefits (Form 701) to his/her employer along with Form 703, Form 7A, and a job description (provided by his/her employer).	<b>701</b> <b>703</b> <b>7A</b>
2.	Employer completes sections A through C of Form 700, and submits the form to the Retirement Systems Division at the appropriate time.	<b>700</b>
3.	Employer completes Form 711 to determine the amount of the member's short-term benefit.	<b>711</b>
4.	Member submits Form 703 (Earnings and Medical Report) to his/her employer.	<b>703</b>
<b>EACH MONTH DURING THE SHORT-TERM PERIOD</b>		
1.	Member submits Form 703 (Earnings and Medical Report) on the first day of each calendar month within the short-term period to his/her employer.	<b>703</b>
2.	Employer should record the benefit paid to the member each month on Form 711.	<b>711</b>
<b>NEAR THE END OF THE SHORT-TERM PERIOD</b>		
1.	If the member is eligible for additional benefits, he or she should submit an application (Form 704) approximately three months before the end of his/her short-term period along with other required documents. See Form 704 Guides for details.	<b>704</b>

- "Date of payment" should be the day the check was issued or the direct deposit transaction was made.
- The "date of payment" should occur after the "end date of period covered."
- Record the gross payment amount. This is the amount before any deductions or taxes.

**Thank you.**