

MANAGEMENT DIRECTIVE

Commonwealth of Pennsylvania Governor's Office

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| Subject: <i>Motor Vehicle Financial Responsibility Law</i> | Number: 530.8 Amended |
| Date: April 25, 2014 | By Direction of:  Kelly Powell Logan, Secretary of Administration |
| Contact Agency: Office of Administration, Office for Human Resources Management, Bureau of Employee Absences and Safety, Telephone 717.346.4667 | |

This amendment updates policy, responsibilities, and procedures as a result of changes to benefits that are applicable when an employee's absence is due to a motor vehicle accident (MVA). Marginal dots are excluded due to major changes.

1. **PURPOSE.** To establish policy, responsibilities, and procedures concerning the absences, pay, and benefits aspects of claims filed under Pennsylvania's *Motor Vehicle Financial Responsibility Law* as amended by the *Act of February 7, 1990 (P.L. 11, No. 6)*.
2. **SCOPE.** This directive applies to employees who are absent from work or incur health expenses due to injuries sustained in a MVA.
3. **OBJECTIVE.** To ensure consistent application of human resource policies that relate to absences, pay, and health benefit costs resulting from a MVA.
4. **DEFINITIONS.** The following definitions pertain to this directive. For purposes other than this directive, these words and terms may have different meanings.
 - a. **Health Care Expenses.** The cost of providing services related to the delivery of health care, including the costs of procedures, therapies and medications.
 - b. **Income Loss Benefits.** Wages paid by an insurance company when injuries sustained in a MVA prevent an employee from working.

- c. **Insurance Form.** A form used by a motor vehicle insurance carrier to obtain additional information from an employer before paying motor vehicle insurance benefits. This is sometimes referred to as a wage and salary verification form or an application for benefits form.
- d. **Personal Injury Protection (PIP) Benefits.** The first line of coverage when an injury has occurred which resulted from a MVA. This is also known as first party benefits and includes medical, income loss, accidental death, and funeral benefits.
- e. **Subrogation.** The process of recovering the amount paid out by an insurance carrier when another party is liable.

5. POLICY.

a. **Nonwork-Related MVA: Absences.**

- (1) An employee, who is absent from work due to a nonwork-related MVA, should be given the option to use paid and/or unpaid absence. Policies for Sick, Parental, and Family Care (SPF) Absence apply, except that an employee is not required to use all accrued paid sick leave before being placed on an unpaid absence. **Note:** An employee who uses paid leave may be deemed ineligible for income loss benefits by the insurance carrier. Therefore, an employee who uses paid leave may be permitted to change paid leave used to unpaid leave retroactively, if the motor vehicle insurance carrier determines the employee is ineligible for benefits under motor vehicle insurance because the employee received pay during the absence.
- (2) An employee who exhausts the SPF entitlement and remains unable to return to work, may apply for regular or disability retirement, if eligible. Refer to *Management Directive 530.15, Disability Benefits, Related Pay Status Options, and Retired Employee Health Program (REHP)* for additional instructions.
- (3) Entitlements to benefits while using paid and unpaid absence are outlined in *Management Directive 530.30, Sick, Parental, and Family Care Absence Policy*.

b. **Nonwork-Related MVA: Health Care Expenses.** For an employee who is enrolled in the Pennsylvania Employees Benefit Trust Fund (PEBTF), Retired Employees Health Program, State Police Health Benefits Program or Retired Pennsylvania State Police Program, the commonwealth and PEBTF do not pay for health care expenses that are eligible for payment through motor vehicle insurance. The commonwealth and PEBTF also reserve the right to subrogate any claims. For more information, refer to the applicable handbook.

c. **Work-Related MVA: Absences.**

- (1) Primary income loss (indemnity) benefits are available through Workers' Compensation.

- (2) An employee who is absent as a result of a work-related MVA, regardless of whether the employee was in a personal, rental or state-owned vehicle, may choose to use accrued paid injury leave or unpaid injury leave, as determined by the collective bargaining agreement, memoranda of understanding, or *Management Directive 505.7, Personnel Rules*. **Note:** If purchased with the policy, income loss benefits may also be payable by the applicable insurance carrier.
 - (3) An employee who exhausts the work-related injury leave entitlement and remains unable to return to work may apply for regular or disability retirement, if eligible. Refer to *Management Directive 530.15, Disability Benefits, Related Pay Status Options, and Retired Employee Health Program (REHP)* for additional instructions.
 - (4) If the employee uses any type of unpaid absence, the employee may be eligible for income loss benefits through the motor vehicle insurance carrier.
- d. **Work-Related MVA: Health Care Expenses.** Primary health care expenses are paid through Workers' Compensation.
 - e. **Work-Related MVA: Subrogation.** In the event the employee receives or recovers money from a source other than Workers' Compensation, the Workers' Compensation Third Party Administrator will subrogate paid Workers' Compensation medical and indemnity benefits on behalf of the commonwealth.

6. RESPONSIBILITIES.

- a. **Agency Human Resource Office.** Advises an employee who is absent from work due to injuries sustained in a MVA of absence entitlements and completes the insurance form, if provided by the employee or insurance carrier.
- b. **Employee.** Applies for applicable insurance benefits through the employee's insurance carrier; requests absences in accordance with call off and absence policies; and provides completed insurance form to insurance company.

7. PROCEDURES.

- a. **Employee.**
 - (1) Notifies Agency Human Resource Office and/or supervisor/manager that a MVA is the cause for the absence from work.
 - (2) Submits required medical documentation to support absence in accordance with SPF Absence or work-related injury leave policies.
 - (3) Provides insurance form to Agency Human Resource Office to verify loss of wage and salary.

b. Agency Human Resource Office or Designee.

- (1) Advises employee of entitlements to paid and unpaid absence and places employee on paid or unpaid absence, as requested by the employee and approved under applicable policy.
- (2) Completes and returns the insurance form to the employee. Refer to Enclosure 1, Terms and Definitions, of this directive, which provides terms that are usually found on insurance forms and a translation to commonwealth terms.
- (3) Tracks absence usage and requests updated medical information as appropriate. Refer to *Management Directive 530.30, Sick, Parental, and Family Care Absence Policy*, and *Manual 530.2, Injury Leave Manual* for additional instructions.

- c. Workers' Compensation Third Party Administrator.** Notifies the insurance carrier or the party responsible of the subrogation lien for any work-related injury that occurred.

Enclosure 1 – Terms and Definitions

This directive replaces, in its entirety, *Management Directive 530.8*, dated July 22, 1997.

Terms and Definitions

Terms that are usually found on insurance forms and a translation to commonwealth terms is provided below. However, the forms are not standardized; therefore, some variation in questions and terminology will occur.

| TERM | DEFINITION |
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| Dates of Employment: | Dates of an employee's service. |
| Employer and Address: | The agency in which an individual works, i.e., Department of Public Welfare. The address should be the agency's human resource office. |
| Health and/or Accident Insurance Program | The insurance program in which the employee elects through the commonwealth's health benefits program; therefore, report "Contact the Pennsylvania Employees Benefit Trust Fund (PEBTF) at 1.800.522.7279 for information". Note: For those employees not covered by the PEBTF, insert the name of the contact and telephone number. |
| Occupation: | The employee's job classification title. |
| Name of Workers' compensation carrier: | Also known as the current Third Party Administrator, i.e., Inservco Insurance Services, Inc. |
| Policy Number: | The commonwealth is a self-insured employer for Workers' Compensation; therefore, report "self-insured". |
| Wage or Salary: | Amount earned, including overtime, shift differential, call time, standby time, and special compensation. |
| Wage/Salary Continuance Plan: | List applicable paid absence benefits the employee has available to use. |