

Fact Sheet “Unpaid Leave”

Occupational benefits and unpaid leave

The purpose of this Fact Sheet is to explain the options for maintaining occupational benefits coverage when an employee decides to take unpaid leave (of at least 1 month).

General principle

Unpaid leave is not a termination of employment. The employment relationship is maintained but the obligation to pay a salary is temporarily suspended.

Therefore, an employee who was subject to mandatory benefits coverage prior to his leave of absence remains subject to mandatory benefits coverage during his unpaid leave.

What options are available in terms of occupational benefits coverage?

Option 1 – Full continuation of benefits coverage

In this case, coverage is fully maintained.

Required action

Please fill in and send us the “Notice of changes” form before the start of the unpaid leave to inform us how contributions are to be split between the employer and the employee.

Advantage

There is no gap in employee benefits coverage. The employee is also fully covered against death or disability resulting from illness.

Disadvantage

Although the employee’s salary is temporarily suspended, contributions must be fully paid.

Option 2 – Full death and disability coverage but suspended retirement savings plan

In this case, only risk insurance is maintained, the savings process is suspended.

Required action

Please fill in and send us the “Notice of changes” form before the start of the unpaid leave to inform us about the suspension of the savings process and how contributions will be split between the employer and the employee.

Advantage

Savings contributions no longer have to be paid. Contributions will be reduced to the insurance premiums for death and disability risks. These risks remain covered at the existing level.

Disadvantage

The interruption in the savings process will reduce the employee’s retirement benefits.

What about accident insurance?

Members on unpaid leave are no longer subject to coverage under the accident insurance law (UVG/LAA). Accident risk may only be excluded if extended coverage is contracted under the UVG/LAA (maximum term 6 months).
