Northeast Ohio Regional Sewer District

Disability Insurance Premium Payment Option (DIPPO)

The NEORSD Disability Insurance Premium Payment Option (DIPPO) is a voluntary benefit which allows benefit eligible employees the option of paying taxes on the NEORSD Short Term Disability (STD) premium. The cost of the premium is determined by multiplying the employee's regular earnings (base pay) by an insurance factor rate (multiplier). Regular earnings do not include overtime, longevity pay or sick leave / PTO buy out.

All full-time regular and part-time regular benefit eligible employees (excluding Interns and temporary employees) are eligible to enroll in the DIPPO program within 30 days of hire or during the annual Open Enrollment period.

In the event the employee begins to receive STD payments and that employee has participated in the DIPPO program, the employee's STD payments are not subject to federal or state income taxes. This benefit does not affect OPERS, because it is not earned income.

NEORSD's Short Term Disability benefit pays 60% of regular earnings for non-union employees and 70% of regular earnings for union employees for a maximum of 26 weeks should an employee become disabled. If an employee has signed up for DIPPO and becomes disabled, they will receive the full 60 or 70% of regular earnings and not pay income taxes on any of the disability payments. By virtue of paying the tax on your STD insurance premium, the disability payments are tax-free.

Designations cannot be changed during the payroll year, but may only be elected upon hire or during the annual Open Enrollment period.

Non-Union Example of DIPPO Calculation using the 2023 DIPPO Rate*	
Annual Regular Earnings	$50,000.00
Insurance Factor (multiplier)	0.0127
Annual Insurance Premium	635.00
Bi-Weekly Regular Earnings	$1923.08
Insurance Factor (multiply)	0.0127
Bi-Weekly Insurance Premium	$24.42
Paycheck	$1923.08
Add DIPPO	$24.42
Total Pay	$1947.50
Deduct DIPPO	-$24.42
Net Pay	$1923.08

Union Example of DIPPO Calculation using the 2023 DIPPO Rate*	
Annual Regular Earnings	$50,000.00
Insurance Factor (multiplier)	0.0148
Annual Insurance Premium	740.00
Bi-Weekly Regular Earnings	$1923.08
Insurance Factor (multiply)	0.0148
Bi-Weekly Insurance Premium	$28.46
Paycheck	$1923.08
Add DIPPO	$28.46
Total Pay	$1951.54
Deduct DIPPO	-$28.46
Net Pay	$1923.08