

# EVERETT SCHOOL EMPLOYEE BENEFIT TRUST SHORT TERM DISABILITY POLICY

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Aanya Lee

Seattle

# Current STD Benefits & Policy

## MetLife (Fully-Insured)

### Voluntary Short-Term Disability Coverage

Coverage	Benefits
Benefit Waiting Period	14 days (other waiting periods apply if not enrolled when first eligible).
STD Benefit	66 2/3% of pre-disability earnings.
Maximum STD Benefit	\$600/week
Minimum STD Benefit	\$15/week

Policy	
Employee benefit amount	Employee is trued up to 100% of pre-disability earnings, with coordination of sick pay and STD benefits.
Administrative approach	Employee is paid a paycheck using sick-pay/leave less the STD check received. Benefits are paid from the paycheck to ensure continuation of benefits as well.

# STD Policy Options

**Not An Option**

Policy	Current approach	Alternate 1 – sick leave used, then STD	Alternate 2 – 14 days of sick leave, then STD	Alternate 3 – Sick leave & STD benefit
Effective STD Benefit	100% of pre-disability earnings	66 2/3% of pre-disability earnings, max \$600	66 2/3% of pre-disability earnings, max \$600	100% of pre-disability earnings + 66 2/3% of pre-disability earnings, max \$600
Employee benefit approach	Employee is trued-up to 100% of pre-disability earnings, with coordination of sick pay and STD benefits	Employee utilizes all sick leave days available, and then STD benefits are available, 66 2/3% of pre-disability earnings, max \$600.	Employee utilizes 14 days of sick leave available, and then STD benefits are available, 66 2/3% of pre-disability earnings, max \$600	Employees utilize sick leave available and STD benefits simultaneously, 66 2/3% of pre-disability earnings, max \$600
Administrative approach	Employee is paid a paycheck using sick leave less the STD check amount received. Benefits are paid from the paycheck to ensure continuation of benefits as well.	Employee is paid a paycheck using sick leave. Once sick leave is fully utilized, the employee goes onto STD Benefits.	Employee is paid a paycheck using sick leave for 14 days. After 14 days, the employee goes onto STD Benefits.	Employee is paid a paycheck using sick-leave <u>and</u> the STD check received. Benefits are paid from the paycheck to ensure continuation of benefits as well.
Administrative concern	Very challenging to communicate and administer. Retro pay adjustment.	Notifying carrier when sick leave is gone. Potential retro pay adjustment.	Notifying carrier when sick leave is gone. Potential gap. Potential retro pay adjustment.	N/A
Impact to sick leave	Sick leave is partially utilized while out on STD.	No sick leave available at the end of the disability.	Balance less 14 days is available at the end of the disability.	Balance after disability or “x number of days set-aside” for after disability.
Impact to STD cost	No financial impact for 2015 proposal.	Decrease, see next page	No financial impact for 2015 proposal.	<b>Not An Option</b>

# Life and Disability Proposals

## Financials — Disability

	Enrollment	MetLife	Alt 1 – Revised MetLife
Voluntary STD (per \$10)			
UNDER 25	0	\$0.450	\$0.340
25 TO 29	4	\$0.470	\$0.360
30 TO 34	20	\$0.490	\$0.370
35 TO 39	30	\$0.440	\$0.330
40 TO 44	30	\$0.470	\$0.360
45 TO 49	36	\$0.580	\$0.440
50 TO 54	60	\$0.720	\$0.540
55 TO 59	40	\$0.880	\$0.660
60 TO 64	30	\$1.040	\$0.780
65+	8	\$1.040	\$0.780
<b>Annual Total</b>	<b>258</b>		

- Approximate savings of \$27,500 to employee cost from MetLife's original proposal and Alternate 1
- MetLife's caveats:
  - Should enrollment fluctuate more than 10%, they reserve the right to re-rate.
  - Minimum enrollment of 10% of total eligible employees.
  - Should enrollment drop below 10%, MetLife would first initiate a communication campaign to encourage enrollment, prior to terminating the plan.
    - Employees would have the option if the plan were to terminate to convert to individual plans.
    - Rates would be based on the pool and would fluctuate +/- 10%.

# Current STD Benefits & Policy

## MetLife (Fully-Insured)

### Voluntary Short-Term Disability Coverage – Alternate 1

Coverage	Benefits
Benefit Waiting Period	<b>The latter of 14 days or exhaustion of employers sick leave (other waiting periods apply if not enrolled when first eligible).</b>
STD Benefit	66 2/3% of pre-disability earnings.
Maximum STD Benefit	\$600/week
Minimum STD Benefit	\$15/week

