



EVERETT SCHOOL DISTRICT NO. 2

Educational Service Center

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TO: All District Personnel

FROM: Jeffrey S. Riddle, Manager
Personnel & Staff Relations

DATE: June 3, 1985

RE: Health and Welfare Benefits

For many months the Committee on Insurance, made up of four members of the EEA and three members of the Everett School District Administration, has been investigating various alternatives for providing Life, AD&D, Disability, Medical and Dental benefits to District employees on the most cost effective basis possible. Their study culminated with an extensive bid process that solicited proposals from eleven insurance companies.

The bid process generated proposals that will allow the District to significantly improve benefit plans for employees and their dependents while keeping the total cost of the overall programs within the maximum funding levels established by the State. In order to take advantage of this opportunity, the District has adopted the Benefit Committee's recommendations concerning benefit plans, insurance carriers, and funding methods. The recommendations, which will be implemented effective July 1, 1985, include:

The establishment of a Trust Fund with six trustees; three of whom will be appointed by the District and three by the Everett Education Association.

An amendment to the collective bargaining agreement between the District and those unions who have elected to participate, to provide a monthly benefit contribution to the Trust of \$179 per FTE retroactive to October 1, 1984 through September 30, 1986. This is a significant increase in District contributions which are currently limited to \$167 per eligible employee, with unused dollars retained by the District.

All full-time employees will receive a comprehensive benefit package to include medical, dental, life/AD&D and long-term disability coverages. Medical and dental plans will include coverage for dependents. The entire cost of these plans will be paid for by the Trust with no employee contribution required. Employees working less than full-time will receive benefits based on the terms of their respective collective bargaining agreements.

Employees will have the choice of three medical benefit plans:

- the current plan offered by SCPC;
- the current plan of benefits offered by Blue Cross; however, the benefits will be administered by SCPC; (SCPC has guaranteed a duplication of the Blue Cross benefits at substantially lower premium rates.)
- the current plan offered by Group Health Cooperative.

The life insurance benefit will be in the amount of \$50,000 with a matching AD&D benefit. (This life benefit will replace the decreasing term life insurance which is currently part of the Blue Cross medical plan.) The new life plan will be the WEA sponsored plan underwritten by Transamerica Occidental Life Insurance Company.

The dental plan will continue to be the WEA/WDS plan currently in effect.

The new long-term disability plan provides 66 2/3% of salary up to a maximum monthly benefit of \$3,000, with a 60-day elimination period. This plan will be underwritten by Connecticut General.

Employees who enroll dependents in the Group Health medical plan will be required to contribute the difference between the cost of the Group Health plan and the SCPC plan. There will be no contribution required of full-time employees who enroll only themselves in the Group Health medical plan.

The Trust will establish a review committee to monitor any employee complaints or concerns regarding benefit plans.

Salary insurance (short-term disability coverage) will be available for employee participation on a voluntary basis. Premiums will be paid solely by the participating employee.

We have attached to this memo a series of questions and answers which provide further information concerning these program changes.

IN ORDER TO IMPLEMENT THESE CHANGES EFFECTIVE JULY 1, 1985, WE ARE CONDUCTING AN OPEN ENROLLMENT PERIOD FROM JUNE 6 TO JUNE 14. DURING THE OPEN ENROLLMENT PERIOD, ALL ELIGIBLE EMPLOYEES ARE REQUESTED TO COMPLETE THE ATTACHED ENROLLMENT CARDS FOR MEDICAL, LIFE/AD&D, AND (IF SELECTED) SHORT-TERM SALARY INSURANCE. THEY SHOULD BE RETURNED TO THE PERSONNEL DEPARTMENT, ATTENTION: FREIDA, NO LATER THAN JUNE 14. WE HAVE ENCLOSED A COMPARISON OF BENEFITS TO ASSIST YOU IN YOUR SELECTION OF THE AVAILABLE MEDICAL PLANS. EMPLOYEES ELIGIBLE FOR THE LTD WILL BE AUTOMATICALLY ENROLLED AND THERE IS NO NEED FOR NEW DENTAL FORMS AS WE ARE CONTINUING WITH WASHINGTON DENTAL SERVICE (FOR TEACHER AIDES, GREAT WEST).