Short-Term Disability Benefit for Non-Represented Staff
Summer 2018
NEW BENEFIT!

• You asked, we delivered!

• To be administered through The Standard insurance company (already administers our Life Insurance and Long-Term Disability)

• Aimed to help bridge the gap before Long-Term Disability benefits start

• UVM leave time preserved while on Short-Term Disability
Short-Term Disability (STD) Plan Overview

• Income replacement insurance plan
• 100% employee paid
• Short-Term Disability
  • Defined as “unable to perform the usual duties of your occupation due to a non-work related accident, sickness and/or pregnancy and your duties cannot be reasonably modified."
  • Must be certified by attending physician with the appropriate specialty
  • Benefit payments are determined by the insurance carrier guidelines
Short-Term Disabilities excluded if:

- Work-related injury – (Covered by Worker’s Comp.)
- Acts of war
- Intentionally self-inflicted injury
- Violent or criminal conduct
Eligibility

- Non-Represented Full-Time Staff in UVM benefit groups A, B and C
- Eligibility is immediate on January 1st of the calendar year coverage period
- No medical history requirement
- No pre-existing conditions excluded
Enrolling

- Enrollment is **only** during Annual Benefits Open Enrollment
- Coverage effective the following January 1\(^{st}\)
- Employee will self enroll directly on The Standard’s website
- The first year you are eligible to enroll you will have a 30 calendar day exclusion period for benefit payment
- If you decline in your first year of eligibility and instead enroll in a subsequent year, there will be a 60 day exclusion period for benefit payment in the first calendar year of coverage
Benefit Schedule

- 70% of weekly salary as of October 1st before the calendar year of coverage
  - Salary will be fixed for the calendar year
  - Includes regular wages and shift differential
  - Excludes overtime pay, bonuses, and other additional pay and retirement contributions
- Up to a maximum of $3,500 weekly/annualized $260,000 (Post-Tax Benefit)
- Maximum length of benefit = 26 weeks
Employee Premiums

- Rate of .423 per $10 of benefit (regardless of age)

Formula:

\[
\text{Annual salary}/52 \text{ weeks} = \$\text{Weekly Salary} \times 70\% = \$\text{Your STD weekly benefit} \times 4.23\% = \$\text{Your MONTHLY premium}
\]

Example 1:

\[
\$35,000 \text{ annual salary}/52 \text{ weeks} = \$673 \times 70\% = \$471 \text{ weekly benefit} \times 4.23\% = \$19.92/\text{MONTHLY premium}
\]

Example 2:

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\$50,000 \text{ annual salary}/52 \text{ weeks} = \$962 \times 70\% = \$674 \text{ weekly benefit} \times 4.23\% = \$28.47/\text{MONTHLY premium}
\]

Example 3:

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\$70,000 \text{ annual salary}/52 \text{ weeks} = \$1,346 \times 70\% = \$942 \text{ weekly benefit} \times 4.23\% = \$39.86/\text{MONTHLY premium}
\]
Payment

- Debited from a personal bank account as an Electronic Funds Transfer (EFT)
- On the 1\textsuperscript{st} of each month following the month covered
  - 1\textsuperscript{st} payment will be deducted on February 1\textsuperscript{st}
Using my STD benefit

• During the exclusion period, an employee may use UVM available leave accruals or take an unpaid leave

• When The Standard begins paying a claim, the employee will no longer receive payment from UVM
  • Payment is equal to 70% of weekly salary (not subject to taxes)

• Employees are responsible for communicating with their supervisor about their leave of absence and expected duration

• Supervisors are responsible for reviewing and approving
Termination of Benefit will occur if:

- Termination of employment
  - Benefit will not be cancelled if there is an ongoing claim at time of termination
- Missed premium payment
  - 30 day grace period
Example 1: Tom needs knee surgery

Years of Service: 10 years

Accruals: Large sick and vacation accruals

Disability: Knee replacement; unable to work for 12 weeks

Scenario: Tom has aging parents, he anticipates increasing responsibilities with his parents over the next few years providing care and transportation to doctor’s appointments. It is essential he preserve his sick and vacation accruals for his caretaking responsibilities.

Tom signs up for NEW STD plan: Tom uses his sick time balance to cover the missed working days during the 30 day exclusion period. The STD plan pays the remaining 8 weeks of benefits at 70% of his salary. Tom returns to work with most of his time off balances still intact.
Example 2: Priya is delivering a baby

**Years of Service:** 3 years

**Accruals:** 24 days of vacation and sick time

**Disability:** Child birth will be out of work for 6 weeks for vaginal delivery

**Scenario:** Priya plans to use her STD to help extend her paid time when she gives birth to her child—she uses most of her sick and vacation to cover the 30 day exclusion period.

**Priya signs up for NEW STD plan:** After the 30 day exclusion period is applied—the STD plan pays Priya 2 weeks of benefits at 70% of her salary. Priya then goes on approved unpaid leave.

**Note:** Because of FMLA requirements, you can take additional time off.
Example 3: Ed was diagnosed with Parkinson’s Disease

**Years of Service:** 5 years

**Accruals:** Ed has used up all of his sick leave.

**Disability:** Parkinson’s Disease with no expected return to work date; 26 weeks before he’s eligible for Long-Term Disability (LTD)

**Scenario:** Ed’s disease has progressed to the point where it is impossible for him do his UVM job. The first 30 days are applied to the exclusion period at the start of Ed’s leave—since Ed does not have any remaining time—this period is unpaid.

**Ed signs up for NEW STD benefit:** STD benefits are paid for the next 22 weeks at 70%. At the end of the 26 weeks, Ed is not able to return to work. Ed had previously enrolled in UVM’s LTD program at new employee orientation, and the Standard internally transfers his claim information and physician certification. Ed does not need to submit a new LTD application. The LTD benefits payments begin immediately at the conclusion of the STD payments.
Questions?