

Shared Governance Oversight Committee

Disposition Form

Shared Governance Proposal Review Process		
Proposal: <u>16FA-02 - Short Term Disability</u> Date Received: <u>September 28, 2016</u>		
		Full (64 Business Days)
Is Proposal a SGOC Issue? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Responsible Assigned Committee: Employee Benefits Committee	SGOC Establish Disposition	3 Days Due By: 28-Sep
	SGOC Forward to Responsible Committees and SGCs	3 Days Due By: 3-Oct
Type of Review: <input type="checkbox"/> Expedited <input checked="" type="checkbox"/> Full <input type="checkbox"/> Extended	SGCs Send Comments to Responsible Committee	14 Days Due By: 20-Oct
	Responsible Committee Prepare Final Draft Send to SGOC	14 Days Due By: 9-Nov
Handbook Issue: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Constituency Groups: Faculty Senate <input checked="" type="checkbox"/> Staff Senate <input checked="" type="checkbox"/> Dean's Council <input checked="" type="checkbox"/> Chair's Council <input type="checkbox"/> SGA <input type="checkbox"/> GSC <input checked="" type="checkbox"/> Vice Chancellor(s)	SGOC Sends Final Draft to Constituency Groups for Final Up/Down Vote	3 Days Due By: 14-Nov
	Consistency Groups Vote & Notify SGOC	14 Days Due By: 9-Dec
Notes: Fall Break Nov. 21-25	SGOC Tally Votes & Sends Final Report	3 Days Due By: 14-Dec
	Chancellor Review & Response	10 Days Due By:

Shared Governance Proposal

- I. Date: September 27, 2016
- II. Sponsoring Constituent: Employee Benefits Committee
- III. Statement of the Issue: Changes to Short Term Disability
- IV. Rational for Proposal:

Arkansas State University currently offers a voluntary Short Term Disability Plan through Companion Life. A total of 387 individuals participate in this coverage throughout the ASU System. When an individual enrolls and selects coverage the rate is locked in for the life of the plan. We offer two options through the plan a 14 day elimination period and a 7 day elimination plan. Rates are based on age at time of enrollment and level of coverage selected. Coverage can range from \$150 per week up to \$600 per week, purchased in \$50 increments. This is limited to 66.67% of the individual's weekly salary. Current rate table is identified below.

Short Term Disability (STD)* Per \$150 of coverage – 14 day elimination	Employee	Short Term Disability (STD)* Per \$150 of coverage – 7 day elimination	Employee
less than 30	4.80	less than 30	5.50
30 but less than 45	5.03	30 but less than 45	5.85
45 but less than 50	5.78	45 but less than 50	6.68
50 but less than 55	6.90	50 but less than 55	7.95
55 but less than 60	8.18	55 but less than 60	9.38
60 but less than 65	9.53	60 but less than 65	11.03
65 but less than 70	12.60	65 but less than 70	14.55

The proposal is to change Short Term Disability providers from Companion to Unum. Coverage would be offered and range from \$150 per week to \$600 per week purchased in increments of \$50 with a maximum up to 66.67%. Plans offered would have a 7 day or 14 day elimination period, payable for a maximum of 26 weeks. Price will be based on voluntary age band rate structure, with pricing based on the employees' current age and adjusted as employees age into older bands as indicated below. The new plan could result in a savings to the majority of the plan participants. Note that 51 employees would experience a rate increase for the same level of weekly benefit. This increase ranges from \$0.80 to \$10.80 per month in premium. Three hundred thirty six (336) employees will see a rate reduction ranging from \$1.06 to \$24.60 per month of premium.

Age Bands	Companion Life (8 Day)	Unum (7/7/26)	Difference	Age Bands	Companion Life (15 Day)	Unum (14/14/26)	Difference
<25	\$0.74	\$0.58	-22%	<25	\$0.64	\$0.51	-20%
25-29	\$0.74	\$0.57	-23%	25-29	\$0.64	\$0.51	-20%
30-34	\$0.78	\$0.61	-22%	30-34	\$0.67	\$0.55	-18%
35-39	\$0.78	\$0.61	-22%	35-39	\$0.67	\$0.54	-19%
40-44	\$0.78	\$0.61	-22%	40-44	\$0.67	\$0.54	-19%
45-49	\$0.89	\$0.69	-22%	45-49	\$0.77	\$0.62	-19%
50-54	\$1.06	\$0.82	-23%	50-54	\$0.92	\$0.74	-20%
55-59	\$1.25	\$0.97	-22%	55-59	\$1.09	\$0.87	-20%
60-64	\$1.47	\$1.16	-21%	60-64	\$1.27	\$1.03	-19%
65-69	\$1.94	\$1.53	-21%	65-69	\$1.68	\$1.37	-18%
70-74	\$2.63	\$2.12	-19%	70-74	\$2.28	\$1.90	-17%

- V. Type of review: Expedited Review Requested