

HUMAN RESOURCES MEMORANDUM 16-010		DATE ISSUED: 4/4/16
SUBJECT:	LONG TERM DISABILITY INSURANCE OPEN ENROLLMENT	REFERENCE: PML 2016-008
TO:	ALL DGS EMPLOYEES	SUPERCEDES: <i>HR Memo 15-005</i>

PLEASE ENSURE THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose The purpose of this HR Memo is to inform employees of the annual open enrollment for Long Term Disability Insurance (LTD).

Open Enrollment Open enrollment for LTD is April 1 through April 30, 2016. During this enrollment period, eligible employees may enroll and currently enrolled employees can change their coverage option. Employees already enrolled are not required to re-enroll during open enrollment in order to continue their coverage. Employees can cancel coverage any time throughout the year.

Eligibility Criteria Employees must be permanent or probationary, excluded from collective bargaining, have a time base of half-time or greater, and have one of the following designations to be eligible to enroll in the LTD.

- Managerial (M, E50, E59, E79, E99)
- Supervisory (S, E48, E58, E68, E78, E98)
- Confidential (C, E97)
- Excluded/Exempt (E88, E89, E92)
- E01 through E21, E67, E77

Employees in limited-term appointments, who otherwise meet the eligibility criteria, may enroll in LTD only if they have a mandatory right of return to a position that meets the above criteria.

Excluded employees who are appointed to permanent-intermittent positions and Rank-and-File employees are not eligible for LTD.

Effective Date of Coverage The employee's effective date of coverage will begin on the first day of the pay period following the first premium (payroll) deduction.

Effective Date of Coverage (Continued)

SCO receives LTD enrollment form by:	Employee's LTD coverage will begin effective:
April 10, 2016	May 1, 2016
April 11-30*, 2016	June 1, 2016

*Enrollment forms signed, dated, and received by Office of Human Resources (OHR) by April 30, 2016, will be processed by SCO through May 10 with an effective date of June 1, 2016.

Employee Communications

Eligible employees NOT currently enrolled in the LTD Program.

In March 2016, CalHR will mail a notice of the upcoming open enrollment to the homes of eligible employees. In late March, a second notification will be mailed that provides more information on how to enroll. In mid-April, a final reminder postcard will be mailed to remind employees that the open enrollment period will end on April 30, 2016.

Employees currently enrolled in the LTD Program.

In late March, a postcard with information announcing the open enrollment period will be mailed to current enrollees. This will be the only notification for currently enrolled employees.

Premium Rates and Administrative Fee

The current LTD premium rates and benefits will remain the same, as well as the 80 cent administrative fee.

Premium rates are determined by multiplying the employees monthly base salary by the factors indicated. The maximum monthly base salary is not to exceed \$15,385 for the 65 percent plan option and \$18,182 for the 55 percent plan option.

For example, a 42 year old employee with a monthly salary of \$5,758 chooses option A. The premium would be determined by multiplying \$5,758 by 0.00203 to get \$11.69. Adding the 80 cent administrative fee results in a monthly premium of \$12.49.

Current Premium Rates

Option A -	65% Miscellaneous/Non-Safety/OASDI* Employees (075-111)				
	<u>Under 30</u>	<u>30-39</u>	<u>40-49</u>	<u>50-59</u>	<u>60 & Over</u>
	.00030	.00086	.00203	.00408	.00452
Option B -	65% Peace Officers/Firefighters/Safety/Non-OASDI* Employees (075-112)				
	<u>Under 30</u>	<u>30-39</u>	<u>40-49</u>	<u>50-59</u>	<u>60 & Over</u>
	.00036	.00101	.00244	.00539	.00609

Premium Rates and Administrative Fee (Continued)

Option C - 55% Miscellaneous/Non-Safety/OASDI* Employees (075-119)					
	<u>Under 30</u>	<u>30-39</u>	<u>40-49</u>	<u>50-59</u>	<u>60 & Over</u>
	.00014	.00043	.00102	.00206	.00229

Option D - 65% Peace Officers/Firefighters/Safety/Non-OASDI* Employees (075-120)					
	<u>Under 30</u>	<u>30-39</u>	<u>40-49</u>	<u>50-59</u>	<u>60 & Over</u>
	.00020	.00058	.00137	.00296	.00332

*The Old Age, Survivors and Disability Insurance program, commonly known as Social Security.

Changes for 2016

The LTD form has not been changed, but will include a privacy notice to employees.

Completion of the LTD Enrollment Forms

Employees are **required** to complete Sections A, B, and C of the enrollment form. Employees can complete the form online, print it, sign it, and submit it to OHR. The fill and print form **must** have an original signature and date or SCO will not process it.

A fill and print enrollment form is available on The Standard's website at www.standard.com/mybenefits/california or visit CalHR's website at www.calhr.ca.gov.

Questions

For questions regarding this memorandum, employees should contact their assigned Personnel Specialist, visit The Standard's website at www.standard.com/mybenefits/california, or call the toll-free customer service number at 1-888-641-7193.

LISA YORK, Personnel Officer
Office of Human Resources

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