



Request for Decision

Council Meeting: April 9, 2019

8.9 - Long Term Disability Benefit Change

Request

As per Budget deliberations, Administration is requesting consideration to increase the Long-Term Disability Benefit for all employees to 75% of their wage, to a non-evidence maximum of \$7,150/month with the County continuing to contribute 90% of the premium. Currently the non-evidence maximum for the benefit is \$4,500/month. Because the County pays 90% of the premium, when the benefit is paid out to an employee, it becomes taxable. By increasing the benefit, any employee earning more than \$72,000 and less than \$114,400 per year will be compensated during a time of disability at 75% of their salary, less tax.

Employees earning more than \$114,400 per year, would have the option to increase their coverage up to a maximum of \$11,000 per month (representing 75% of their monthly earnings) if they provide medical evidence and are approved for coverage (this would currently include 3 employees).

The total cost of increasing this benefit per annum is \$20,132, resulting in an increase to the County of \$18,119.

In order to provide the insurer and employees information regarding this benefit change, Administration is requesting to make the change effective June 1, 2019.

Alternatives

Increase the Long-Term Disability Benefit to the non-evidence maximum of \$7,150 per above as included in the 2019 budget – with an increase in the budget of \$16,357.

Increase the Long-Term Disability Benefit to cover eligible employees who are approved for coverage (based on medical evidence) beyond the \$7,150 non-evidence maximum (currently 3 employees eligible) – with an estimated increase in the budget of \$1,762. (also included in the budget).



Keep the Long-Term Disability Benefit the same as current resulting in no change to the budget.

Recommendation

Administration is recommending to increase the Long-Term Disability Benefit from a non-evidence maximum of \$4,500 to a non-evidence maximum of \$7,150 with the County continuing to cover 90% of the premium effective June 1, 2019.

Administration is recommending to cover eligible employees who apply for and are approved for coverage beyond the \$7,150 non-evidence maximum up to \$11,000 and cover 90% of the premium effective June 1, 2019.

Submitted by: Sheila Kitz, CAO