Davis COUNTY

Human Resources

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MEMORANDUM

DATE: June 2, 2022

TO: Comissioners

FROM: Chris Bone - Human Resources Director

RE: Revisions to Long Term Disability Benefits

Summary: New legislation was passed this year, which requires employers to provide benefit protection coverage for both Tier I and Tier II Public Safety employees. Tier I employees are already covered through the Long Term Disability (LTD) and URS retirement benefits, but Tier II employees are not currently covered. The new requirement is to include the coverage for Tier II public safety employees.

"Benefit Protection Coverage" (BPC), means Public Safety employees who are injured or ill due to external force or violence because of the performance of their employment duties (often referred to as "line of duty" injury) will continue to accrue URS retirement service credit while receiving a monthly disability benefit (workers comp and/or LTD).

This added benefit for Tier II Public Safety employees will automatically go into effect as of July 1, 2022.

Proposal: In conjunction with this benefit protection coverage, the county also has the option to extend this coverage to other employees. The new, required coverage will only apply to line of duty injury/illness, but is not required for off-duty injury/illness LTD. Also, the new coverage is only required for Public Safety Tier II, but not for other Public Employee classifications.

We can choose whether or not we want to cover off-duty injury/illness, and also whether to provide the same benefit to all Tier II employees. However, these choices can be made at any time, we are not required to make those elections now. These choices can also be declined and stopped at any time in the future. A comparison with other entities could be included in our upcoming Comp/Benefits study, to see what others are doing in this regard.

If we are going to cover all injuries/illness disabilities (both on-duty and off-duty) then we will do it through our LTD insurance plan. If we choose to only cover on-duty injuries/illness disabilities, then it can be included in our Workers Compensation coverage. Either way we decide, the BPC coverage and payments for Tier II employees will be made directly to URS.

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Cost: Currently, Tier I employee coverage costs are automatically factored in and included with our URS premium rates, so no additional costs are added to our plan for this portion. Our LTD benefits are currently provided through Sun Life insurance. If a Tier II employee becomes eligible for LTD benefits, we will coordinate with URS to pay the actual cost of service credits to them directly. We currently and typically have 2-3 employees per year qualify for LTD benefits. The URS premiums for Tier II employees is 28.1% for Public Safety and 16.69% for Public Employees. Meaning an employee whose salary was $60,000 during employment, would cost $16,860/year for Public Safety URS service credits, and $10,015 for other Public Employees.

Benefits & Features: The current coverage and options are:

Long Term Disability Coverage and Benefit Protection Coverage

	Tier I	Tier II
Public Safety		
Line of Duty	LTD with BPC currently provided	LTD only currently provided Required to add BPC now
Non LOD	LTD with BPC currently provided	LTD only currently provided Optional to add BPC
Public Employees		
Line of Duty	LTD with BPC currently provided	LTD only currently provided Optional to add BPC
Non LOD	LTD with BPC currently provided	LTD only currently provided Optional to add BPC

Recommendation:
Thank you for your reviewing this information and considering this proposal. We believe that expanding the Benefit Protection Coverage to all employees will enhance our benefits and be an additional recruiting and retention tool for the County. As mentioned above, this decision is not required at this time, and could be determined later after the Comp/Benefit study. It can also be changed/rescinded at any time the County decides.

We are available to answer any further questions you may have.