



COUNTY of VENTURA

COUNTY EXECUTIVE OFFICE

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Human Resources Director
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September 26, 2023

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, California 93009

Subject: Approval of the Addition of a Voluntary Short-Term Disability Plan for Active Full-time and Part-time Employees Who Are Covered by the Management Resolution, Other than Management Elected Unit, All Active Full-time and Part-time Employees Whose Job Titles Are Represented by the Criminal Justice Attorneys Association of Ventura County (CJAAVC), and the Professional Engineers Represented by the Ventura Employees Association (VEA); Approval of the Addition of a Voluntary Buy-up Provision to the County-Provided Long Term Disability Plan; Approval of MetLife as the Provider for Long-Term and Short-Term Disability Benefits; and Authorization for the Human Resource Director to Sign any Necessary Agreements or Amendments with MetLife.

Recommendations

It is recommended that your Board:

1. Approve the addition of a voluntary short-term disability (STD) plan for active full-time and part-time employees who are covered by the Management Resolution, other than Management Elected Unit, employees whose job titles are represented by the Criminal Justice Attorneys' Association of Ventura County (CJAAVC), and the Professional Engineers represented by the Ventura Employees Association(VEA).
2. Approve the addition of a voluntary buy-up provision to the employer-paid Long Term Disability (LTD) plan.
3. Approve the selection of MetLife as the provider for both the LTD and STD benefit offering; and

4. Authorize the Human Resources Director to sign any necessary agreements or amendments with MetLife.

Fiscal/Mandates Impact

Mandatory: No

Source of Funding: Employee Premiums

Funding Match Required: None

Impact on Other Departments: None

Discussion

The County's Long-Term Disability (LTD) offering has not undergone a review since the last Request for Proposal (RFP) in 2014. Additionally, our Wage Supplemental Plan (WSP), which currently serves as our Short-Term Disability (STD) offering, has been in place since March 10, 1985, and no alternative STD plan designs have been explored since its implementation.

Recognizing the need to reassess the disability benefits, we partnered with our broker of record, AON, to conduct a Request for Proposal (RFP) for both LTD and STD coverages.

In this RFP, we requested that carriers align their proposals with the current structure of our LTD offering. Represented and non-represented groups are broken into classes for the LTD benefit. Class 1 and 2 include Management, CJAAVC, and UAPD. Classes 3-5 include the remaining bargaining units.

To further enhance our long-term disability coverage, we also requested the addition of a voluntary, employee paid, buy-up provision to the existing employer-paid LTD plan be included in the RFP responses. This buy-up provision will give employees the option to increase their LTD benefits beyond the standard coverage level provided below:

Current LTD Benefit by Class			
LTD	Max Monthly Benefit	Benefit Amount	Accident/Sickness
Class 1	\$8,000	Max: 66.67% of the first \$12,000 of predisability earnings	Up to 60 months
Class 2	\$8,000		Max: 60% of the first \$3,500 of predisability earnings Min Benefit \$100
Class 3	\$2,100		
Class 4	\$2,100		
Class 5	\$2,100		

For Class 1 and 2 employees, we requested proposals on a buy-up option of 66.67% to \$12,000 and 66.67% to \$15,000. For Classes 3-5 we requested a buy-up option of 60.00% to \$4,000 be provided.

We also invited proposals for a voluntary STD plan entirely funded by employees, for employee groups that are not covered by State Disability Insurance (SDI).

Apart from UAPD, employees eligible for LTD coverage within Classes 1 and 2 do not participate in SDI. Instead, they receive higher paid-time-off (PTO) accrual rates designed to address short-term illness or disability. LTD insurance, on the other hand, is geared towards providing coverage for extended periods of illness or disability. This combination effectively meets the needs of most employees, although it may not be suitable for all. Unlike SDI, which imposes a mandatory cost on all employees with no opt-out option, this voluntary STD alternative offers flexibility and allows individuals to decide if they require this supplementary coverage to bridge the elimination period for LTD.

We received quotes from the carriers MetLife (incumbent), Hartford, Lincoln Financial, New York Life, Prudential, Reliance Matrix, The Standard, and UNUM.

After conducting a thorough evaluation of various factors, such as pricing, the ability to meet our specified plan requirements, and the capacity to deliver a solution aligning with the County's needs, MetLife, our incumbent provider, emerged as the top contender.

Based on this assessment, we recommend selecting MetLife as the provider for our LTD and STD coverage. We also recommend inclusion of a voluntary buy-up provision of \$15,000 in our LTD plan design and a voluntary STD plan for employee groups not covered by SDI. The recommended STD plan design includes:

- 7-day wait period (same as SDI);
- 30-day coverage period (Bridge to LTD coverage which has a 30- day wait period);
- Maximum weekly benefit amount of 66.67% of an employee's base salary to \$2,500.

In addition to our LTD plan, the County has an established partnership with MetLife for dental and life insurance coverage. Building upon our long-standing relationship with MetLife, we have achieved several advantageous terms through successful negotiations. These include a 10 percent reduction in our LTD renewal rate, a 10 percent reduction in the provided STD premium rates, a reduction in the proposed 2024 dental premium renewal increase from 4 percent to 3 percent, an extension of the rate guarantee for our life insurance offering, and a 3-year rate guarantee on the disability plan.

It is recommended that your Board approve the addition of a voluntary STD plan for both non-represented and represented groups not covered by SDI, approve the incorporation of a voluntary \$15,000 buy-up provision into the employer-paid LTD plan, approve the selection of MetLife as the provider for both the LTD and STD benefit offerings, and authorize the Human Resources Director to execute any required agreements or amendments with MetLife.

Upon receiving your Board's approval, we anticipate that the enhancements to the LTD plan and the introduction of the STD plan option will be implemented in early 2024. During this period, an initial open enrollment will take place, offering eligible employees the choice to:

1. Increase their LTD maximum monthly benefit by up to either \$15,000 or \$4,000, depending on their classification, without the requirement to provide Evidence of Insurability (EOI).
2. Obtain STD coverage without the need for Evidence of Insurability (EOI).

Please note that there will be a pre-existing condition limitation for STD benefits. This limitation means that benefits will not be paid for a sickness or injury for which treatment was received within the three months prior to the effective date of coverage, or for a disability caused by a pre-existing condition within the first 12 months of coverage.

This letter has been reviewed by the County Executive Office, County Counsel, and the Auditor-Controller's Office. If you have any questions regarding this item, please contact me at (805) 654-2561, or Patti Dowdy, Employee Benefits Manager, at (805) 648-9218.

Respectfully submitted,



Shawn Atin
Assistant County Executive Officer/Human Resources Director



Sevet Johnson, PsyD
County Executive Officer

c: Jeffery S. Burgh, Auditor-Controller
Tiffany N. North, County Counsel
Mike Pettit, Assistant County Executive Officer
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