

ROUTT COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA COMMUNICATION FORM

ITEM DATE: October 26, 2021	ITEM TIME:
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FROM:	Kathy Nelson, Human Resources Director
TODAY'S DATE:	October 20, 2021
AGENDA TITLE:	Consideration to approve the Routt County 2022 Life, ADD, STD, and LTD Insurance Provider and Premium

CHECK ONE THAT APPLIES TO YOUR ITEM:	
<input checked="" type="checkbox"/> X ACTION ITEM	
<input type="checkbox"/> DIRECTION	
<input type="checkbox"/> INFORMATION	

I. DESCRIBE THE REQUEST OR ISSUE:
Consideration to approve the proposed 2022 Life, ADD, STD, and LTD Insurance Provider and Premium

II. RECOMMENDED ACTION:
Motion to approve the proposed 2022 Life, ADD, STD, and LTD Insurance Provider and Premium.

III. DESCRIBE FISCAL IMPACTS (VARIATION TO BUDGET):
PROPOSED REVENUE: None
PROPOSED EXPENDITURE: TBD – Estimated premiums: Basic Life & ADD \$12,012; LTD \$65,075; STD \$52,011
FUNDING SOURCE: TBD

IV. IMPACTS OF A REGIONAL NATURE OR ON OTHER JURISDICTIONS (IDENTIFY ANY COMMUNICATIONS ON THIS ITEM):
None known.

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V. BACKGROUND INFORMATION:

Due to customer service concerns, Human Resources is recommending that the BCC consider approving we shift to a new long term disability (LTD), basic life & accident, dismemberment and disability (ADD) carrier. In addition, HR is suggesting Routt County consider adding short-term disability (STD) insurance to replace the Routt County 8.4.7 Policy Regarding the Assignment of Sick Leave. Reasons for this recommendation include but are not limited to:

- Equitably supporting staff during long term absences due to illness and/or pregnancy/maternity leave
- Maintaining staff health privacy
- Utilizing a system that protects against the possibility of favoritism

Typically, employers design a benefit package using different benefits to cover different stages of illness or disability. These benefits often work in tandem with each other. In many cases, Routt County's sick leave accruals do not always cover an employee's extended personal illness/injury and/or for the caring of a family member unless the employee has been employed at the County for a number of years and has carried over sick hours from year to year. Often times, an employee has exhausted all of their available accrued leave or hasn't had the chance to accrue enough hours.

As a supplement to PTO, Routt County employees have been able to utilize the sick leave transfer program in tandem with their paid time off (PTO) hours. If an employee exhausted their PTO or did not accrue adequate hours to cover their absence, they could elect to request sick hour transfers from employees to bridge the gap in their shortage of PTO hours and continue to receive a paycheck as well as continue their payroll deductions. While there are pros and cons to this sick transfer program, HR believes that instituting a short term disability plan to work in tandem with our PTO and LTD plan would be a more beneficial program and eliminate inconsistencies, exceptions, and health privacy that we've seen occur with our existing program.

The STD would operate in tandem with our LTD program. It would bridge the gap between an employee's first 12 weeks of illness and the start of long-term disability. The LTD and STD plans pay an employee a percentage of their salary if they are disabled due to a sickness or injury. There is a maximum of a two-week waiting period. Coverage also applies to things like pregnancy, a minor operation, etc.

The premium for the STD would be employer paid and bundled with our LTD, ADD, and basic life plans. It is recommended that the BCC move to approve the change in the insurance provider and premium, and consider approval of the STD coverage. If the STD is approved, the BCC will also need to provide direction on what percentage of an employee's salary the plan would pay (60% of pay, 66.67% pay or 70%). If the STD plan is approved, the 8.4.7 Policy Regarding the Assignment of Sick Leave should be rescinded.

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VI. LEGAL ISSUES:

None known.

VII. CONFLICTS OR ENVIRONMENTAL ISSUES:

None known.

VIII. SUMMARY AND OTHER OPTIONS:

The BCC can approve the new carrier, coverages and premium, deny this recommendation or request more information.