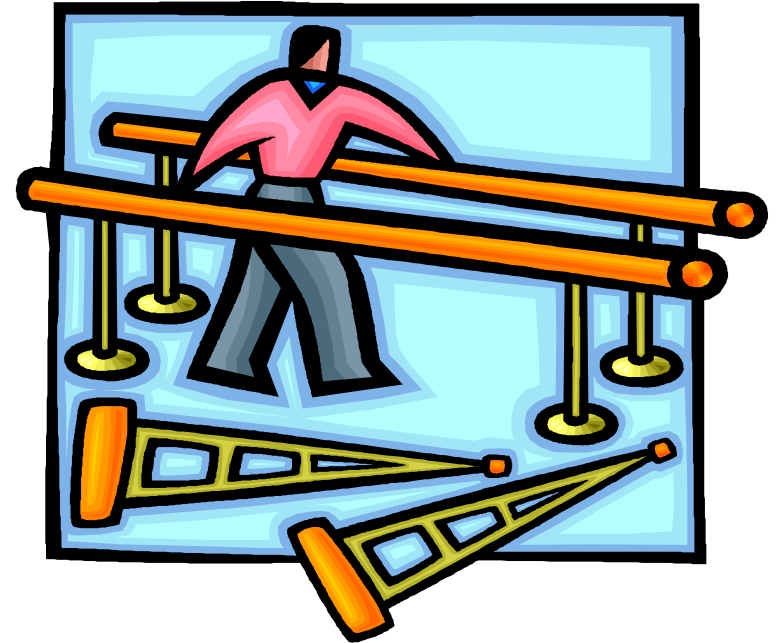


Disability Insurance



NOTE: Housestaff/Medical Residents are not eligible to participate in the group disability plans described in this presentation.

Think you will never suffer a disability?

- Odds are 3-in-10 that you will become disabled sometime before retiring
- The Social Security Administration estimates that 1-in-4 of today's 20-year-olds will become disabled before age 67
- The average long term disability lasts 2.5 years
- Can you afford to pay your bills if you can't work?
- What happens when your sick leave and savings run out?
- You insure your life, your home, your car...
you also need to protect your income

What is the disability benefit?

- Both Short Term and Long Term Disability could **replace up to 60% of your salary** should you run out of paid leave time and are unable to work due to a disability (illness, accident, and in some cases pregnancy)
- Amount of coverage depends on your salary and if you elected to “buy up” coverage above what the University provides
- Both plans are fully insured through Standard Insurance Company
- Pre-existing conditions are not covered on claims filed in the first year of coverage

What is Short Term Disability (STD)?

- Eligible for benefits to be paid to you...

...after you are off work more than 2 weeks due to illness, accident or pregnancy

AND

...after you run out of paid leave

(except women on maternity leave can choose to save some of their leave time before going on unpaid leave of absence)

- Maximum benefit payout period is 12 weeks
- This is good coverage to have if you don't have 12 weeks of leave saved up to cover a medical absence

Basic Short Term Disability

- We will automatically enroll you in **Basic STD**
- No forms to sign. This is a benefit provided by and paid for by UAMS.
- Covers your first \$45,000 of annual base salary
- Maximum weekly benefit is \$519
How benefit is calculated: $\$45,000/52 = \text{weekly salary of } \863.38
 $863.38 \times 60\% = \$519.23$

Not available to Housestaff/Medical Residents

Optional Short Term Disability

- If you make over \$45,000, you have the option to enroll in **Optional STD**
- Covers your annual base salary above \$45,000 and up to \$216,000
- Raises maximum weekly benefit to \$2,492
- You pay the premium of $0.0055 \times$ salary above \$45,000.
 - Cost to employee making \$55,000 = \$4.58 @ month
 - Cost to employee making \$100,000 = \$25.21 @ month
 - Cost to employee making \$216,000+ = \$78.38 @ month
- This is an especially good benefit for new employees, as it will take you a while to build up sick leave.

What is Long Term Disability (LTD)?

- Same benefit as STD – up to **60% replacement** of salary if you can no longer perform the duties of your position due to accident or illness.
- Benefits begin after you are off work 6 months
- STD would transition into LTD if you continue to be unable to work after 6 months.
- Payments continue to be paid as long as you're disabled or until you reach age 65 (although benefits may be paid for a short period of time past age 65 if disability occurs after you reach that age)

Basic Long Term Disability

- We will automatically enroll you in **Basic LTD** effective your hire date
- No forms to sign. This is a benefit provided by and paid for by UAMS.
- Covers your first \$20,000 of annual base salary
- Maximum benefit is \$1000/month

Housestaff/Medical Residents are not eligible to participate in the regular employee LTD plans and instead will enroll in a special plan through James D. Foss and Associates, (501) 221-3700.

Faculty Group Practice members have a different LTD plan, described later.

Optional Long Term Disability

- Applies to employees with **salaries above \$20,000**
- Provides same 60% protection of your salary, but raises your maximum benefit to \$25,000/month because it covers your salary **up to \$500,000**
- See rate sheet for premium calculation
- Example: if your annual salary is \$36,475, Optional LTD raises your maximum monthly benefit from \$1,000 to \$1,823.75 at your premium cost of \$5.90 per month

Not applicable to Housestaff/Medical Residents or Faculty Group Practice members

Effective Date of Disability Coverage

*If you miss your 1-month enrollment window as a new employee,
you have to wait for the next open enrollment period*

Optional Short Term Disability

- If you enroll within your first 30 days, coverage takes effect the first day of the NEXT calendar month after you enroll
- If your salary goes over \$45,000 in the future, you have one month to enroll in Optional STD

Optional Long Term Disability

- If you enroll within your first 30 days, coverage takes effect the first day of the NEXT calendar month after you enroll
- If your salary goes over \$20,000 in the future, you have one month to enroll in Optional LTD

Not applicable to Housestaff/Medical Residents or Faculty Group Practice members

Faculty Group Practice LTD

*Applies to those awarded FGP benefit status
by the Chancellor or Dean, College of Medicine*

- Insurance premiums are paid by your department
- Benefit is same 60% replacement of your salary. Salary that is insured includes UAMS base and most UAMS faculty incentive pay.
- Group policy for FGP members is a combination of the Basic and Optional LTD plans offered to staff – one policy that covers salary up to \$500,000. Max benefit is \$25,000 per month (60% of \$500,000/12).
- Enrollment is automatic. No action is needed on your part except for you to elect taxation of the premium.

Faculty Group Practice LTD

Applies to those awarded FGP Benefit status

- While premiums are paid by your department, you will elect taxation of the premium that your department pays on your behalf. Your 2 options are:
 - **YES, tax me now (“post-tax”)**
You elect to treat the premium as a taxable benefit now, therefore future benefits would be tax-free. The maximum premium is \$150 @ month (for those earning \$500,000 or more) – this or lower premium is the amount on which you would be taxed.
 - **NO, do not tax me now (“pre tax”)**
No taxation to you now, but any future benefits would be taxable. This is the default if you do not make an election.

Benefit Questions?



- Call HR/Employee Services at (501) **686-5650**
- Visit the Office of Human Resources Monday-Friday, 7:30 - 4:30 located on 4th floor, wing C of Central Building
- Send an email to **AskHR@uams.edu**
- Visit our web site at **www.hr.uams.edu**