Date:       July 30, 2009
To:         Human Resources Directors  
            Benefits Representatives
From:       Evelyn Nazario
            Assistant Vice Chancellor  
            Human Resources Management
Subject:    New Long-Term Disability (LTD) Insurance Premium Rates

Overview

Audience: Human Resources Directors, Benefits Representatives, and/or campus designee(s) responsible for administering benefits

Action Item: Information Only

Affected Employee Group(s)/Unit(s): All Employees Eligible for CSU-Paid Long-Term Disability (LTD) Insurance

Summary

This technical letter announces rate changes in the monthly premium contribution rate for CSU-Paid Long-Term Disability (LTD) Insurance, effective July 1, 2009.

Campus designees responsible for benefits administration should read the rest of this technical letter.

Long Term Disability (LTD) insurance premiums are based upon a percentage of covered salary and are paid in arrears (e.g., July pay period deduction pays for July). The new LTD insurance premium rates were effective July 1, 2009, and remain fully paid by the CSU for all eligible employee groups as listed below:

<table>
<thead>
<tr>
<th>Deduction Code</th>
<th>Prior Monthly Premium</th>
<th>New Monthly Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>250-100 (M80) (MPP)</td>
<td>$ 4.91</td>
<td>$ 5.26</td>
</tr>
<tr>
<td>250-101 (Unit 3 – Faculty)</td>
<td>$ 3.81</td>
<td>$ 4.07</td>
</tr>
<tr>
<td>250-102 (Unit 4- Academic Professionals)</td>
<td>$ 1.61</td>
<td>$ 1.69</td>
</tr>
<tr>
<td>250-103 (Unit 1 – Physicians)</td>
<td>$ 43.10</td>
<td>$ 50.45</td>
</tr>
<tr>
<td>250-104 (M98 – Executives)</td>
<td>$ 11.92</td>
<td>$ 12.51</td>
</tr>
</tbody>
</table>

The State Controller's Office (SCO) will make the necessary adjustments to their tables. There is no change to the benefit coverage.

Common Management Systems (CMS) Processing Instructions
Changes to the LTD rates have an impact to CMS baseline for Benefits. Additional information will be provided in a future CMS communication.
Questions regarding this Technical Letter may be directed to Human Resources Management at (562) 951-4411. This Technical Letter is also available on the Human Resources Management Web site at: http://www.calstate.edu/HRAdm/memos.shtml.

EN/mh