THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
400 Golden Shore
Long Beach, California 90802-4275
(310) 985-2669

Date: December 18, 1995

To: Personnel Officers
Benefits Officers

From: Cathy Robinson, Senior Director
Human Resources Administration

Subject: NEW LONG TERM DISABILITY CONTRACT

The new Long Term Disability (LTD) contract commencing January 1, 1996, retains Standard Insurance Company as CSU's carrier. Eligibility for coverage (management, executive, Unit 3 and Unit 4 employees) remains unchanged, and existing benefit features continue. In addition, the following enhancements are effective January 1st:

1. A conversion provision will permit separating employees to convert LTD coverage to an individual policy.
2. A reasonable accommodation worksite modification payment of up to $500 will be available to an employer to assist an LTD claimant to return to work.
3. The survivor benefit is being expanded to permit payment to the employee's estate when there is no surviving spouse or unmarried children under age 23.

Administration of the third benefit enhancement will be automatically handled by Standard and should be invisible to the campuses, but campuses should be aware of the following administrative issues related to the first two enhancements:

- **Conversion** -- The campus is responsible for notifying the employee of the right to convert coverage to a private policy. We recommend an initial notification to current participants similar to the attached sample. In addition, if the campus uses a separation checklist/procedures sheet, or an employee separation information sheet, please update it to include an LTD conversion notice in addition to the life insurance conversion notice. A supply of LTD Conversion Application Forms is being shipped to Benefits Officers under separate cover.

(Over)

**Distribution:**

- Presidents
- Vice Chancellor, Human Resources and Operations
- Payroll Supervisors
- Employee Relations Designees
- Without Attachment
- "
- "
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• **Reasonable Accommodation** -- To receive the reasonable accommodation worksite payment, the employer must obtain Standard’s advance approval of the accommodation plan. If you are considering such an accommodation to facilitate return to the campus by an LTD claimant, please contact Standard. If the claimant is pursuing rehabilitation with a different employer, please advise the claimant or the prospective employer to contact Standard.

Campuses should also note that the claim filing time limit still applies under the LTD contract. Employees who do not initiate a claim within 9 months following the beginning of the disability, may lose their LTD benefits entitlement, except under limited circumstances. Since many potential claimants have significant sick leave balances, it is sometimes difficult to identify which employees should be reminded to apply for LTD. To assist with this problem, a new Campus Information Retrieval System (CIRS) report request (called “SickUse”) has been made available in the common FOCUS library. Campuses participating in the California Leave Accounting System may use this report request to help identify potential claimants.

New LTD certificates are being printed and a supply will be shipped to Benefits Officers in January. Upon receipt of the new supply, please destroy the old LTD certificates as they are no longer valid, and please distribute a new certificate to each LTD participant at your campus. The distribution may be combined with the sample benefit enhancement notice.

As a final note, lower LTD premium costs are effective starting with the January 1996 pay period (reflected on January 31st warrants). The following costs remain fully paid by the CSU:

<table>
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<tr>
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<tbody>
<tr>
<td>250-100 (Management/Executive)</td>
<td>$16.51</td>
<td>$7.74</td>
</tr>
<tr>
<td>250-101 (Unit 3)</td>
<td>$15.02</td>
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<tr>
<td>250-102 (Unit 4)</td>
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If you have any questions, please call systemwide benefits at (310) 985-2669.

CR/pb
Attachment
Memorandum

(SAMPLE)

To: Long Term Disability Plan Participants  Date: January 1996
From: (Appropriate Campus Administrator)  Phone: (xxxxx)
Subject: LONG TERM DISABILITY INSURANCE IMPROVEMENTS (Policy #603267-B)

Enclosed is an updated Standard Insurance Company certificate for coverage under the University-paid long term disability plan. Please destroy your old certificate and retain the new one with your important papers.

This disability coverage is provided at no cost to you, and the following benefit enhancements have been added effective January 1, 1996:

- **Conversion Privilege:** A new provision will permit separating or retiring employees who have been covered under this long term disability plan for at least one year to convert the coverage to an individual policy. The University cannot quote conversion policy costs, but Application for Conversion forms are available in the Benefits Office. Send the form directly to Standard for a cost quotation. Your application form must be received by Standard Insurance Company within 31 days of leaving the University. (Please note, however, if you have a disabling condition when you separate or retire, you should file a claim for disability income benefits under this policy, rather than paying to convert to an individual policy.)

- **Reasonable Accommodation Benefit:** If you receive disability income benefits under this policy, your employer may also be eligible for a reasonable accommodation modification payment to your worksite of up to $500 to assist you in returning to work. This benefit is available whether you return to work at the University or another employer. Please note that your reasonable accommodation worksite modification plan must be approved by the insurance company in advance to qualify for payment. Either you or your prospective employer may contact Standard for details.

- **Survivor Benefit:** If you die while receiving disability income benefits from this policy, payment is made to your survivor(s) in an amount equal to three times the monthly gross disability benefit. This provision is being expanded to permit payment to your estate when there is no surviving spouse or unmarried children under age 23.

Please refer to the enclosed certificate for details of the new provisions. If you have any other questions, please contact the Benefits Office at (xxx-xxxx). Thank you.

/pb

Enclosure