

Full Authority
19 September 2019
Agenda Item: 10

Short Term Disability

Background

The CVCA offers a benefit package to all full time employees through Buffett Taylor & Associates. This package includes Short Term Disability (STD), which is an intermediary benefit between employee sick days and Long Term Disability (LTD) insurance.

STD Budgetary Implications

In light of current fiscal issues, Bev Brasier, Manager Client Services at Buffett Taylor has suggested the CVCA may want to reconsider supporting the STD benefit in a different form for its employees.

The STD benefit is currently included in the CVCA's monthly installments to Buffett Taylor. The monthly amount for STD coverage is \$206.34 for all employees, for a total yearly amount of \$2,476.08. STD coverage has been offered to the CVCA employees for over 32+ years and is a simple, effective manner to administer the benefit. As well, should a claim be made, Sun Life Insurance becomes the decision maker to deny or approve the claim based on their expertise and administers the disability claim. Virtually all of the disability concerns are dealt with by Sun Life freeing up staff time and taking the important decision whether to proceed with the claim out of CVCA administrator's hands.

Moving forward in 2020, Bev Brasier has identified that STD coverage is going to be increasing by 100%, primarily because there is a very small pool of conservation authorities which buy the coverage and there was an increase in claims in 2019. Therefore, it is an easy target for Sun Life to recoup the additional expenses with little pushback from conservation authorities since there are so few enrolled in the STD program.

If coverage for 2020 is left unchanged, then the total payment would be \$4,952.16.

Since Bev has suggested the CVCA may want to take control of this expense in another manner, options are currently being explored and the Eastern Ontario conservation authorities have been contacted to share how they provide STD coverage. Of the nine authorities circulated, four authorities have responded to date.

There have been some significant differences between the conservation authorities and the self-insured programs for employees to still have STD coverage. Not all will respond, however, once most have provided their coverage details, it will be compiled into a chart and brought to the CVCA Board for further discussion and decision at the next Board meeting.

In addition to the conservation authorities' examples, Bev has provided information about an STD company to assist with difficult claims for the CVCA to consider as well.

The critical decision at the 19 September 2019 Board meeting is whether to proceed with changing the coverage. Buffett Taylor will be at the CVCA office at the end of September to discuss the 2020 rates and any changes to the benefit package. At that time, we will need to inform Bev if we are going to participate in the STD program or not.

Staff Recommendation

That the CVCA opt out of the current STD benefit offered by Sun Life and staff continue to investigate alternatives for the Board's consideration at the 21 November 2019 CVCA Board meeting.

Board Decision
TP