



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: A 18-868, Version: 1

- a. Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 4 to Agreement No. A-13188 between the County of Monterey and UNUM changing the Scope of Service to have UNUM offer a fully-insured employee-paid short-term disability buy-up supplemental plan; and
- b. Authorize the Contracts/Purchasing Officer to sign future amendments to the agreement where the amendments do not significantly change the scope of work or cause an increase in the agreement rates to a total of more than ten percent (10%).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to sign Amendment No. 4 to Agreement No. A-13188 between the County of Monterey and UNUM changing the Scope of Service to have UNUM offer a fully-insured employee-paid short-term disability buy-up supplemental plan; and
- b. Authorize the Contracts/Purchasing Officer to sign future amendments to the agreement where the amendments do not significantly change the scope of work or cause an increase in the agreement rates to a total of more than ten percent (10%).

SUMMARY/DISCUSSION:

On June 21, 2016, the Board of Supervisors approved Agreement No. A-13188 between the County of Monterey and UNUM to provide administration of the self-funded short-term disability advice-to-pay services, fully insured employer-paid long-term disability (LTD) benefits, and fully insured voluntary employee-paid LTD benefits with the option to extend the agreement by mutual consent of the parties. The Contracts/Purchasing Officer was also authorized by the Board to sign future amendments to the agreement. This Agreement has been amended three (3) times with the latest amendment extending the term through and including June 30, 2020 and changing the short-term disability plan from self-insured (claims funded by the County) to fully-insured (claims funded by the Contractor).

The Human Resources Department is now requesting that the Scope of Service be amended to have UNUM offer an employee-paid buy-up short-term disability supplemental plan. Currently units D, E, G, L, O, X, XL, & Y are provided an employer funded benefit at 66.667% of weekly income to a maximum of \$925 per week. The buy-up plan, which would be employee funded, is designed to increase the maximum benefit by \$575 per week to \$1,500 and decrease the current waiting period from 28 to 7 days.

Approval of the recommended actions will enable the County to offer a great short-term buy-up supplemental plan to eligible management units D, E, G, L, O, X, XL, & Y employees and will be contingent upon maintaining a 25% participation level at which UNUM contractually will determine to continue offering the plan to the County.

OTHER AGENCY INVOLVEMENT:

The offices of the County Counsel and Auditor-Controller have reviewed and approved Amendment No. 4 as to form and legality and fiscal provisions, respectively.

FINANCING:

The cost associated with the buy-up supplemental plan will not incur any new costs to the County since it will be fully employee funded.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The proposed recommended actions support the Board of Supervisors' Administration Strategic Initiative. The recommended actions will make available a new buy-up supplemental plan, which will support the County's commitment to provide quality benefits to employees to meet the Board's strategic initiative by attracting, recruiting, and retaining a diverse and talented work force that supports the mission of the County of Monterey.

- ☐ Economic Development
- ☒ Administration
- ☐ Health & Human Services
- ☐ Infrastructure
- ☐ Public Safety

Prepared by: Jose Tapia, Finance Manager, Ext. 5268

Approved by: Irma Ramirez-Bough, Director of Human Resources, Ext. 5043

Attachments:

- Amendment No. 4 to Agreement No. A-13188
- Amendment No. 3 to Agreement No. A-13188
- Amendment No. 2 to Agreement No. A-13188
- Amendment No. 1 to Agreement No. A-13188
- Agreement No. 13188