

University of California



Disability Benefits Information for Faculty

UC's disability benefits (Short-Term Disability, Supplemental Disability, and UCRP) in conjunction with state-mandated Workers' Compensation and Social Security disability benefits create a comprehensive safety net to provide protection from loss of wages over the course of periods of disability, whether a few

months or a lifetime. Because every disability is different and personal, the University's disability benefits are designed to address individual situations and concerns. As a result, the benefits may seem complex, and one employee's disability-related experience can be very different from another's.

	Supplemental Disability Plan ¹		UCRP Disability Income
	First 12 months of benefits	13+ months of benefits	
Who pays premium	You	You	Not applicable
What plan covers	Periods of time unable to work in regular occupation due to pregnancy/childbirth, disabling injury or illness, regardless of cause	Periods of time unable to work in any reasonable occupation due to pregnancy/childbirth, disabling injury or illness, regardless of cause	Periods of time unable to perform substantial gainful activity that earns 50% of final salary during the first 12 months. After one year of benefits, disability must prevent employment in any occupation that pays \$830 per month or more.
Benefit level	70% of eligible earnings ²	50% of eligible earnings ² , or up to 70% of eligible earnings, considering benefits from other income	22.5%–40% of final salary (covered compensation ² as of disability date), based on years of service credit
Maximum time period	12 months	To age 65 ³ , if age 60 or less; Lesser of 5 years or to age 70, if 60–69; One year, if age 70 or older	Generally to age 65 or when retirement income equals/exceeds disability income
Covered monthly salary	Eligible earnings up to \$14,286 ²	Eligible earnings up to \$14,286 ²	UCRP covered compensation ²

1 The University also provides employer-paid short-term disability benefits to eligible career employees. The benefit pays a maximum of \$800/month for up to six months, and may be coordinated with other disability benefits.

2 Does not include by agreement payments, compensation for extension teaching, summer salary, extra compensation, health sciences compensation, etc.

3 Supplemental Disability benefits limited to 24 months for mental illness/substance abuse diagnoses.

Questions and Answers

Why should I enroll in Supplemental Disability?

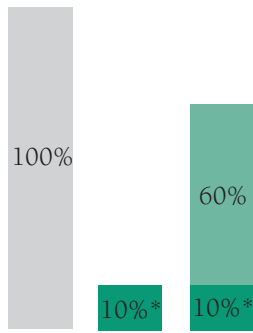
The main reason to enroll is to ensure up to 70% salary continuation in the event of an extended disabling illness, injury or pregnancy. UC-paid Short-Term Disability provides only \$800 per month for six months (or a maximum of 55% of salary, which-

ever is less). In addition, you must have five years of UCRP service credit to be eligible for UCRP disability income, and a minimum of 12 years of service credit to receive the maximum benefit of 40% of salary. The chart on page 2 shows how Supplemental Disability benefits provide additional income, depending on the faculty member's eligibility for UCRP disability benefits.

Faculty Member earning \$96K with 12 years of service credit



Faculty Member earning \$96K with less than 5 years of service credit



* Maximum benefit is \$800/month

Pay
 UCRP
 Short-Term Disability
 Supplemental Disability

Is there any reason I should not enroll in Supplemental Disability?

There are several reasons why Supplemental Disability coverage might not be necessary to protect your earning capacity. Talk with your financial advisor to help consider your need for this type of coverage if you are in any of the following categories:

- If you plan to retire in the next few years and your retirement date could be moved up in the event of a serious health problem
- If your UCRP basic retirement income would be 70% or more of your salary. Basic retirement income depends on years of service credit and age. For example, if you are age 58, you must have 32 years of service credit to receive 70% of your salary
- If you have enough other income (e.g., spouse's/ domestic partner's income) which would continue even if you could no longer work

What disability benefits will I receive when I'm pregnant?

Generally, the UC-paid Short-Term Disability and employee-paid Supplemental Disability plan benefits begin two weeks prior to the expected delivery date and continue until six weeks after birth for a normal pregnancy (eight weeks for Caesarean section). Benefits may be extended for complications during pregnancy or as a result of childbirth.

Other factors can affect these benefits:

- Your waiting period. For example, if you have a 90-day waiting period, you will not receive benefits for a normal pregnancy.

- Salary continuation. Academic Senate faculty and all faculty who have served at least 12 consecutive months in any faculty title will receive at least the full covered compensation for up to six weeks. This salary continuation period replaces some or all of the disability benefits period.
- Non-Academic Senate faculty who have served less than one year will receive at least eight hours of sick leave for every month worked up to the date of the pregnancy leave. This sick leave can apply to the disability waiting period.

Note: For health sciences faculty, only the base salary (or covered compensation) is covered by these Short-Term and Supplemental Disability Plans. Health sciences faculty members should check with their departments to determine what portion of their salary is covered during pregnancy leave.

What is a waiting period and which one is best for me?

When you enroll in Supplemental Disability, you must select a waiting period. The waiting period is the time from the day you are unable to work due to an injury, illness or pregnancy until the day disability benefits start. You may elect a 7-, 30-, 90-, or 180-day waiting period. The longer the waiting period, the lower the monthly premium you'll pay.

You should choose the period that provides the level of protection you need, given your individual circumstances. For example, if you are not yet a vested member of UCRP or you plan to have a child in the near future, you may want to choose a shorter waiting period such as 30 days. Or, if you are fully vested in UCRP, with many years of service, you may wish to "self-insure" yourself for the first 90 or 180 days of an illness by selecting a longer waiting period with a lesser premium. Remember that you can change to a longer waiting period at any time but you cannot shorten your waiting period without submitting a statement of health and carrier approval.

How does Supplemental Disability coordinate with other benefits?

In general, you cannot receive more than 70 percent of your eligible earnings from Supplemental Disability. When Supplemental Disability is combined with all sources, such as UCRP disability or Social Security, your total benefits from all sources will be no more than 70 percent of your salary.

Are disability benefits taxable?

UCRP disability income and Short-Term Disability benefits are generally taxable. Supplemental Disability benefits, which are paid with after-tax premiums, generally are not taxable.

How much does Supplemental Disability cost?

Supplemental Disability monthly rates effective January 1, 2005 are listed at right; rates are not expected to increase for 2006.

To calculate monthly premiums, find the rate for your age and chosen waiting period in the chart at right.

Multiply the rate by your gross monthly covered salary* up to \$14,286 per month. If your monthly salary is higher, use \$14,286. For example, if you are 50 years old with covered monthly salary of \$8,000, your monthly premium for coverage with a 90-day waiting period would be \$28 per month ($0.0035 \times \$8,000$).

Age	Waiting Period			
	7 Days	30 Days	90 Days	180 Days
Under 35	\$0.0055	\$0.0020	\$0.0018	\$0.0007
35-39	0.0058	0.0022	0.0019	0.0009
40-44	0.0065	0.0028	0.0023	0.0014
45-49	0.0072	0.0033	0.0028	0.0018
50-54	0.0089	0.0041	0.0035	0.0027
55-59	0.0106	0.0059	0.0050	0.0044
60-64	0.0147	0.0097	0.0083	0.0079
65-69	0.0130	0.0076	0.0065	0.0058
70 and over	0.0099	0.0042	0.0036	0.0023

You may also use the online premium calculator available on At Your Service (atyourservice.ucop.edu).

* Use the full-time monthly covered salary rate for your position, even if you work part time. Premiums are based on the full-time salary rate for your position; if you normally work less than full time, benefits will be based on your part-time earnings. Do not include special pay, such as overtime.

Examples of How Disability Benefits Work

Note: In these examples, the faculty member would receive a certain amount of UC salary continuation before disability benefits are paid.

Example I

Faculty member has back surgery and is not able to return to work for three years. Faculty member is not yet vested in UCRP (i.e. does not have five years or more service credit). In this example, the campus approves six months salary continuation.

UC-Paid Short-Term Disability Only

Month	1	2	3	4	5	6	7	8	9	10	11	12	13
	Salary continuation at 100% of covered compensation						\$800 per month						Benefits end

Short-Term and Employee-Paid Supplemental Disability

Month	1	2	3	4	5	6	7-18	19...
	Salary continuation at 100% of covered compensation						70% of monthly salary (up to maximum benefit of \$10,000/month)	Supplemental Disability benefits continue at 50% if meet more stringent definition of disability*

* Other sources of income (e.g., Social Security) may bring total benefits to 70%

Example 2

Faculty member is a new hire and is disabled during the first three months of employment. The faculty member will be unable to work for nine months. In this example, the campus approves one quarter (or 12 weeks) of salary continuation.

UC-Paid Short-Term Disability Only

Month	1	2	3	4	5	6	7	8	9
	Salary continuation at 100% covered compensation			\$800 per month					

Short-Term and Employee-Paid Supplemental Disability—90 day waiting period

Month	1	2	3	4	5	6	7	8	9
	Salary continuation at 100% covered compensation			70% of monthly salary (up to maximum benefit of \$10,000/month)					

Example 3

Faculty member is in a car accident and is permanently disabled and unable to return to work. The faculty member is a vested UCRP member who is coordinated with Social Security with 10 years of service credit. In this example, the campus approves one year of salary continuation.

UC-Paid Short-Term Disability Only

Month	1–12	13–18	19 and on
	Salary continuation	UCRP pays 35% of salary Short-Term pays \$800/month	

Same Scenario with Supplemental Disability

Month	1–12	13–24	25 until age 65 ⁴
	Salary continuation	UCRP pays 35% of salary Supplemental Disability pay 35% of salary	

⁴ Dependent on date of hire and participation in Social Security. Although UCRP Disability income may end at age 65, the member could choose to retire and receive basic retirement income or a lump sum cashout.

For more information, see:

- At Your Service website (atyourservice.ucop.edu)
- *Supplemental Disability Insurance Plan Booklet*
- *Disability Factsheet*
- *Short-Term Disability Insurance Plan Booklet*
- *Pregnancy and Newborn Child Factsheet*
- *UCRP Disability Handbook*

By authority of the Regents, University of California Human Resources and Benefits, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (1-800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UCs contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. Contact your Human Resources Office for more information.

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