

MEMORANDUM

DATE: June 23, 2009

TO: The Board of Supervisors

FROM: Carol M. Luckam, Human Resource Manager

SUBJECT: Termination of the County-Funded, Long-Term Disability Program and Contract and Related Revisions to Chapter 5, Employee Benefits, of the James City County *Personnel Policies and Procedures Manual*

---

Attached is a resolution that terminates the County-funded, Long-Term Disability (LTD) program and contract and eliminates Section 5.6.C.1.b of the *Personnel Policies and Procedures Manual* for the following reasons:

- The staff analysis found that relatively few claims have been filed under this policy, and they have often resulted in the minimum payment of \$50 per month because the employees were often also eligible for coverage under Virginia Retirement System (VRS) Disability Retirement, Social Security Disability, or Workers' Compensation. The annual cost of the program has been in the \$70,000 to \$80,000 range.
- The Employee Benefits Committee reviewed the staff analysis and felt that especially given the current budget climate, this was a benefit that had minimal overall impact and that the focus should remain on maintaining other programs such as quality health and dental plans that remain cost-effective for employees and the County.
- Employees who still want additional income protection have the option of securing, at their own cost, long-term or short-term disability policies through their personal auto/home/life insurance carrier, or through a social or professional association that offers group rates, or through any other carrier offering coverage.

The adopted FY 2010 Budget does not include funding for LTD. An implementation date of July 1, 2009, coincides with the end of the current fiscal and contract year on June 30, 2009.

Staff recommends adoption of the attached resolution.

  
Carol M/Luckam

CML/gb  
TermiDisabPro\_mem

Attachment