

2022 Long-Term Disability (LTD) changes

FAQ for PEBB-eligible employees

The following provides answers to common questions about upcoming changes to the employee-paid LTD benefit, effective January 1, 2022. The changes do not affect benefits during the 2021 plan year.

1. What is long-term disability LTD insurance?

LTD insurance pays a monthly benefit to you if you are injured or ill and can't work.

The PEBB Program provides two types of LTD insurance: employer-paid and employee-paid. Here are the differences:

Type of LTD offered	Cost to you	Maximum monthly benefit
Employer-paid	\$0	\$240
Employee-paid	You pay the monthly premium. See "What does it cost?"	\$10,000 (60% coverage) OR \$8,333 (50% coverage)

2. What is changing?

Starting January 1, 2022, most PEBB-eligible employees¹ will be automatically enrolled in the employee-paid LTD plan.

Coverage levels: At the automatic coverage level, 60 percent of your monthly predisability earnings (up to \$16,667) is covered. At any time, you can reduce to a lower-cost 50-percent coverage level. You can also decline the employee-paid coverage at any time. If you later decide to enroll in or increase coverage, you will have to provide evidence of insurability and be approved by the insurer.

Benefit waiting period: Up until January 1, 2022, you could choose from benefit waiting periods ranging from 90 to 360 days. The new employee-paid LTD plans have a minimum 90-day benefit waiting period for all subscribers, which is the longer of:

- 90 days;
- The entire period of sick leave (excluding shared leave) for which the employee is eligible;
- The "fractionated period" of paid time off (PTO) for which the employee is eligible, if your employer has a PTO plan, as those terms are defined in the policy;
- The entire period of other non-vacation salaried continuation leave for which the employee is eligible; or
- The end of Washington Paid Family and Medical Leave for with the employee is receiving benefits.

¹ Not available to port commissioners or seasonal employees who work a season that is less than nine months.

3. Why do I need employee-paid LTD?

No one expects a disability, but it can happen anytime to anyone. According to the Social Security Administration, one in four 20-year-olds will become disabled before age 67. And one in 10 Americans lives with a severe disability.

Imagine you suddenly became ill, were in an accident, or had a difficult pregnancy and couldn't work for an extended time. How would you pay your bills?

The plan also helps you get back to work. For instance, if a worksite modification would enable you to return to work, the coverage could help your employer make approved modifications.

4. Why is this automatic enrollment happening?

You already have an employer-paid long-term disability (LTD) benefit. But if the time comes that you need it, you may be surprised to find it is not enough. The maximum payment you could receive from the employer-paid benefit is \$240 a month. That probably wouldn't cover groceries, let alone your other bills.

The PEBB Program is making this change so that if you became disabled and couldn't work, employee-paid LTD insurance would help you pay for rent or mortgage, car insurance, utilities, child care, phone, groceries, and other things you couldn't do without.

5. I already have employee-paid (supplemental) LTD. Does this affect me?

Yes. You will continue to be covered at the 60-percent coverage level and transitioned to a 90-day benefit waiting period, if you currently have a benefit waiting period other than 90 days. Your monthly premium will change (see below).

6. What does it cost?

Standard Insurance Company provides PEBB LTD coverage at competitive group rates.

Your monthly employee-paid LTD premium is based on your employee retirement plan, your desired coverage level (either 60 percent or 50 percent), and your monthly predisability earnings. To find your premium, use the premium calculator on Standard's website at standard.com/calculator-wapebb.

Monthly employee-paid LTD rates

Higher-education employees retirement plans		TRS, PERS, and other retirement plans	
60%	50%	60%	50%
0.0059	0.0035	0.0047	0.0028

Examples of employee-paid premiums

Your exact premium depends on your retirement plan, monthly predisability earnings (gross earnings before tax and other deductions), and the coverage level you choose. Here are some examples.

Examples of monthly predisability earnings	Higher-education employees retirement plans		TRS, PERS, and other retirement plans	
	60%	50%	60%	50%
\$3,000	\$17.70	\$10.50	\$14.10	\$8.40
\$4,000	\$23.60	\$14.00	\$18.80	\$11.20
\$5,000	\$29.50	\$17.50	\$23.50	\$14.00
\$6,000	\$35.40	\$21.00	\$28.20	\$16.80
\$7,000	\$41.30	\$24.50	\$32.90	\$19.60
\$8,000	\$47.20	\$28.00	\$37.60	\$22.40
\$9,000	\$53.10	\$31.50	\$42.30	\$25.20
\$10,000	\$59.00	\$35.00	\$47.00	\$28.00
\$11,000 to \$16,667	\$64.90 to \$98.34	\$38.50 to \$58.33	\$51.70 to \$78.33	\$30.80 to \$46.67

7. What do I need to do?

You don't have to do anything. You will be automatically enrolled in or transitioned to the 60-percent coverage level with a 90-day benefit waiting period. Your premium will be deducted from your paycheck starting with January 2022 coverage. Check with your payroll or benefits office for when the LTD premium will be deducted from your paycheck for January coverage (the LTD deduction may happen in December, depending on your employer's payroll cycle).

8. How do I reduce or decline coverage for 2022?

At any time, you can reduce to a lower-cost 50-percent coverage level or decline the employee-paid coverage. **For changes to take effect for January 1, 2022 coverage, you must reduce or decline by December 31, 2021.** If you later decide to enroll in or increase coverage, you will have to provide evidence of insurability and be approved by the insurer.

- **During the PEBB Program annual open enrollment (November 1–30, 2021):** You can reduce or decline your employee-paid LTD plan for 2022 using PEBB My Account at hca.wa.gov/my-account. **Exception:** Pierce County, UW, and WSU employees use Workday.
- **For the month of December 2021:** You can reduce or decline the coverage by submitting a *Long Term Disability Insurance Enrollment and Change* form to your payroll or benefits office. The form is available on HCA's LTD webpage at hca.wa.gov/ltd.

9. What if I don't do anything?

If you don't reduce or decline your LTD benefit election, you will be automatically enrolled in or transitioned to the 60-percent plan with a 90-day waiting period, and the premium will be deducted from your paycheck for January 2022 coverage. Check with your payroll or benefits office for when the LTD premium will be deducted from your paycheck for January coverage (the LTD deduction may occur in December, depending on your employer's payroll cycle).

10. Who is eligible for employee-paid LTD insurance?

The PEBB Program offers employer-paid long-term disability (LTD) insurance to eligible employees of:

- State agencies
- Higher-education institutions (including community and technical colleges)
- Employees who work for a PEBB participating educational service district, tribal government, or employer group that offers both PEBB medical and dental coverage. (Contact your payroll or benefits office to see if this is part of your benefits package.)

If you are eligible for PEBB benefits, you will be automatically enrolled in employer-paid LTD insurance coverage, even if you waive PEBB medical coverage.

Employee-paid LTD insurance **is not available** to port commissioners or seasonal employees who work a season that is less than nine months.

11. What about the new long-term care benefit?

Your PEBB long-term disability benefit is different from the state's new long-term care benefit, which is called The WA Cares Fund. Your PEBB long-term disability benefit replaces a portion of income lost due to accident, illness, or pregnancy.

The WA Cares Fund pays for the cost of caregiving for you when you need assistance with activities of daily living, at whatever age you may need assistance, including long after retirement. For more information about the new long-term care benefit, visit wacaresfund.wa.gov.

12. How can I learn more?

If you have questions about enrollment or premium payments, please contact your payroll or benefits office. More information is available on these websites.

Website	More information	Web address
LTD calculator	Find your premium	standard.com/calculator-wapebb
Standard	Details about the plan, including deductible income, exclusions, benefit waiting period, maximum benefit period, and survivor's benefit	standard.com/mybenefits/wash-state-hca-pebb
LTD webpage	Details about eligibility and how to enroll in LTD coverage	hca.wa.gov/ltd
HCA forms and publications search	Find the LTD benefits booklet or <i>Long Term Disability Insurance Enrollment and Change</i> form	hca.wa.gov/employee-retiree-benefits/forms-and-publications
PEBB My Account	Reduce or decline coverage during annual open enrollment	hca.wa.gov/my-account
PEBB virtual benefits fair	Information about all PEBB benefits and webinars; opens October 1	hca.wa.gov/vbf-pebb

PEBB open enrollment webpage	Information about monthly premiums, benefit changes, how to enroll or make changes to your account, and more for 2022	hca.wa.gov/pebb-oe
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