

2022 Long-Term Disability (LTD) changes

FAQ for SEBB-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 SEBB 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	\$400
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 SEBB-eligible employees 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: The employee-paid LTD plan has a minimum 90-day benefit waiting period and is not changing.

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 \$400 a month. That probably wouldn't cover groceries, let alone your other bills.

The SEBB 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 90-day benefit waiting period. Your monthly premium will change (see below).

6. What does it cost?

Standard Insurance Company provides SEBB 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), your age, and your monthly predisability earnings. To find your premium, use the premium calculator on Standard's website at standard.com/calculator-wasebb.

Monthly employee-paid LTD rates

Your age	60% coverage level rate	50% coverage level rate
<30	0.0011	0.0007
30–34	0.0015	0.0009
35–39	0.0023	0.0014
40–44	0.0032	0.0019
45–49	0.0044	0.0026
50–54	0.0060	0.0036
55–59	0.0072	0.0044
60–64	0.0075	0.0045
65+	0.0076	0.0046

Examples of employee-paid premiums

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

60% coverage level

Examples of monthly predisability earnings	Age of subscriber on January 1								
	0 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65+
\$3,000	\$3.30	\$4.50	\$6.90	\$9.60	\$13.20	\$18.00	\$21.60	\$22.50	\$22.80

Examples of monthly predisability earnings	Age of subscriber on January 1								
	0 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65+
\$4,000	\$4.40	\$6.00	\$9.20	\$12.80	\$17.60	\$24.00	\$28.80	\$30.00	\$30.40
\$5,000	\$5.50	\$7.50	\$11.50	\$16.00	\$22.00	\$30.00	\$36.00	\$37.50	\$38.00
\$6,000	\$6.60	\$9.00	\$13.80	\$19.20	\$26.40	\$36.00	\$43.20	\$45.00	\$45.60
\$7,000	\$7.70	\$10.50	\$16.10	\$22.40	\$30.80	\$42.00	\$50.40	\$52.50	\$53.20
\$8,000	\$8.80	\$12.00	\$18.40	\$25.60	\$35.20	\$48.00	\$57.60	\$60.00	\$60.80
\$9,000	\$9.90	\$13.50	\$20.70	\$28.80	\$39.60	\$54.00	\$64.80	\$67.50	\$68.40
\$10,000	\$11.00	\$15.00	\$23.00	\$32.00	\$44.00	\$60.00	\$72.00	\$75.00	\$76.00
\$11,000 to \$16,667	\$12.10 to \$18.33	\$16.50 to \$25.00	\$25.30 to \$38.33	\$35.20 to \$53.33	\$48.40 to \$73.33	\$66.00 to \$100.00	\$79.20 to \$120.00	\$82.50 to \$125.00	\$83.60 to \$126.67

50% coverage level

Examples of monthly predisability earnings	Age of subscriber on January 1								
	0 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65+
\$3,000	\$2.10	\$2.70	\$4.20	\$5.70	\$7.80	\$10.80	\$13.20	\$13.50	\$13.80
\$4,000	\$2.80	\$3.60	\$5.60	\$7.60	\$10.40	\$14.40	\$17.60	\$18.00	\$18.40
\$5,000	\$3.50	\$4.50	\$7.00	\$9.50	\$13.00	\$18.00	\$22.00	\$22.50	\$23.00
\$6,000	\$4.20	\$5.40	\$8.40	\$11.40	\$15.60	\$21.60	\$26.40	\$27.00	\$27.60
\$7,000	\$4.90	\$6.30	\$9.80	\$13.30	\$18.20	\$25.20	\$30.80	\$31.50	\$32.20
\$8,000	\$5.60	\$7.20	\$11.20	\$15.20	\$20.80	\$28.80	\$35.20	\$36.00	\$36.80
\$9,000	\$6.30	\$8.10	\$12.60	\$17.10	\$23.40	\$32.40	\$39.60	\$40.50	\$41.40
\$10,000	\$7.00	\$9.00	\$14.00	\$19.00	\$26.00	\$36.00	\$44.00	\$45.00	\$46.00
\$11,000 to \$16,667	\$7.70 to \$11.67	\$9.90 to \$15.00	\$15.40 to \$23.33	\$20.90 to \$31.67	\$28.60 to \$43.33	\$39.60 to \$60.00	\$48.40 to \$73.33	\$49.50 to \$75.00	\$50.60 to \$76.67

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 minimum 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. If you later decide to enroll in or increase coverage, you will have to provide evidence of insurability and be approved by the insurer. **For changes to take effect for January 1, 2022 coverage, you must reduce or decline by December 31, 2021.**

You can reduce or decline your employee-paid LTD plan for 2022 using SEBB My Account at myaccount.hca.wa.gov, or 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/sebb-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 minimum 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. What about the new long-term care benefit?

Your SEBB long-term disability benefit is different from the state's new long-term care benefit, which is called The WA Cares Fund. Your SEBB long-term disability benefit replaces a portion of income lost due to accident, illness, or pregnancy. You can reduce or decline this coverage at any time.

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.

11. 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-wasebb
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-sebb
LTD webpage	Details about eligibility and how to enroll in LTD coverage	hca.wa.gov/sebb-ltd
HCA forms and publications search	Find the LTD benefits booklet or <i>2022 Long Term Disability Insurance Enrollment and Change</i> form	hca.wa.gov/employee-retiree-benefits/forms-and-publications

Website	More information	Web address
SEBB My Account	Reduce or decline coverage during annual open enrollment	myaccount.hca.wa.gov
SEBB virtual benefits fair	Information about all SEBB benefits and webinars; opens October 1	hca.wa.gov/vbf-sebb
SEBB open enrollment webpage	Information about monthly premiums, benefits changes, how to enroll in or make changes to your account, and more for 2022	hca.wa.gov/sebb-oe