



MEMORANDUM

Date: January 14, 2019

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Short Term Disability and CAT Bank Update – Informational Only**

To assist employees who may need time off from work to address serious medical issues and the ability to maintain a financial income, Human Resources is working with our broker Alliant to secure rates for Short Term Disability insurance coverage for all benefit eligible employees. The Short Term Disability coverage would replace the Catastrophic Leave Bank (CAT Bank) program that provides limited sick leave only to those employees who participate through contributing some of their sick leave hours, of which approximately 2,668 employees currently participate in the program. The CAT Bank has shown to be unsustainable on a long-term basis due to an average usage of 566 CAT Bank hours per pay period and an available balance of 2,765 CAT Bank hours as of pay period ending January 5, 2019. A continuation of the CAT Bank in its current structure would require participating employees to continue to contribute more and more sick leave into the pool of hours. Such an ongoing requirement would likely cause fewer employees to participate which would cause the bank to have even more difficulty meeting the needs of employees.

A broader and more generous benefit would be to provide all benefits eligible employees with Short Term Disability. This type of program would cover more than 6,200 employees who are benefits eligible. A Short Term Disability coverage would provide for two-thirds of an employee's wages for up to 24 weeks, after an initial 14 day elimination period, which would provide for income up through the time an employee is eligible for long-term disability from ASRS. The employees would be able to supplement the remaining one-third of their wages using their leave accruals. The cost of this added benefit would be free to the employees and would be covered by premiums already being contributed to the Health Care Benefits Trust.

I am recommending that a Short Term Disability program replace the CAT Bank program. Once a Short Term Disability program is in place, I would recommend that the CAT Bank be phased out so that only those employees who are currently utilizing CAT Bank hours would be permitted to exhaust such hours, after which time the CAT Bank program will cease to exist. Because many employees who have contributed their leave hours into the CAT Bank have not had to apply for use of any of the CAT Bank hours, I propose restoring sick hours

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donated by current employees to the CAT Bank to their sick time leave banks, to the extent such employees have not already been provided CAT Bank hours for their use. This would essentially make all the current employees who have participated in the CAT Bank program whole, with no penalty for having participated.

I expect to bring a proposed contract for Short Term Disability insurance to the Board of Supervisors at one of the meetings in February.

CHH/mp

c: Jan Leshar, Chief Deputy County Administrator
Carmin DeBonis, Jr., Deputy County Administrator-Public Works
Tom Burke, Deputy County Administrator of Administration
Cathy Bohland, Director of Human Resources