



President's Bulletin

University of Missouri

Volume 4, Number 4

Monday, April 30, 1973

TO: UNIVERSITY OF MISSOURI STAFF
FROM: C. BRICE RATCHFORD, PRESIDENT

I want to report that the Board of Curators, at its meeting on April 20, gave its approval for the University to begin a self-funded Salary Continuance plan, a long-term disability program for all full-time University employees. The effective date for the start of the plan is May 1.

As I explained in the President's Bulletin of 3-14-73, a new Salary Continuance program became necessary after Stuyvesant Life Insurance Co., which had provided a plan since 1966, notified the University earlier this year that it would no longer handle the program after May 1.

The new plan approved by the Board modifies the present program in three respects:

* An employee must be disabled for 149 days, instead of the present 59 days, before becoming eligible to receive any payments.

* The new plan still will pay up to two-thirds of an individual's salary, with present salary maximums, but will be further coordinated with other payments to which a staff member may be entitled under Social Security, Workmen's Compensation and the University's Retirement, Disability and Death Benefit Plan, the combination of which may not exceed 100 percent of regular salary.

* The cost to the employee for the new plan will be 88 cents per \$100 of monthly salary, compared to 54.4 cents presently paid.

Under the circumstances, we have come out with the best alternative possible, especially in the light of lack of acceptable response to the University's request for bids from the insurance industry. Certainly I am aware that

the provisions of the program have been altered (waiting period increased to 149 days, benefits further integrated), but these steps were essential in order to keep the cost down to a reasonable level. Considering that the Stuyvesant Co., before withdrawing from our existing program, had said the cost would have to be raised to \$1.59 per \$100 per monthly salary, I believe we have done extremely well to hold the cost of the new plan to 88 cents.

The most important fact, of course, is that University employees still have a group Salary Continuance program. Otherwise, employees desiring such insurance would have no recourse but to seek coverage under private programs at much higher costs. Moreover, there is the likelihood that many would not have been able to qualify for coverage because of a required physical examination. The University was able to keep the cost of the new program to 88 cents per \$100 monthly salary because it will be a group plan handled on a self-funded basis.

A provision in the plan does, however, put the program on a somewhat tentative basis. The provision is that if enrollment in the plan at the end of the first five months of operation does not equal at least 70 per cent of eligible employees, the University reserves the right to terminate the plan at the end of one year upon the giving of six months notice.

This stipulation is founded on an established principle of insurance which recognizes the need for having a broad enough base of enrollment to avoid adverse risk. The present plan has about 66 per cent of eligible employees enrolled.

Here are details concerning enrollment in the new plan:

For those employees in the present plan, enrollment in the new plan will be automatic. However, should someone now in the present plan want to decline participation in the new program, written notice should be given to the appropriate Campus Staff Benefits Office or to the University-wide Staff Benefits Office. Those who send in a cancellation notice by May 15 will have an effective cancellation of May 1. Those who send in a cancellation notice after May 15 will have an effective cancellation of the end of the month in which the notice was received.

Payroll deductions from the April paycheck for the May coverage will be at the existing rate of 54.4 cents per \$100 monthly salary, although the new rate is effective May 1. The new rate will not be deducted from the April check due to the time required to set up the new system. However, later payroll deductions will reflect the new rate from May 1, which would include a "make up" of one month for the new rate.

For those employees not in the present plan, but who want in as soon as possible, enrollment cards can be obtained from the Campus or University-wide Staff Benefits Offices. The effective date of enrollment will be the first day of the month after enrollment is completed.

During the enrollment period, members of the Retirement and Staff Benefits Committee and representatives of Campus and University-wide Personnel and Staff Benefits Offices will conduct a series of meetings with employees to explain the new plan and answer questions. Advance notice will be given of the dates, times and places for these meetings.

Meanwhile, anyone having questions about the new plan can contact any member of the Retirement and Staff Benefits Committee or the Campus and University-wide Staff Benefits Offices listed below:

RETIREMENT AND STAFF
BENEFITS COMMITTEE

Columbia

Henry Lowe
218 Tate Hall
University of Missouri-Columbia
Columbia, Missouri 65201
Phone: 882-5630

Kansas City

Vernon Green
The Children's Mercy Hospital
2402 Gillham Road
Kansas City, Missouri 64110
Phone: 471-0626

Joe Doerr
347 Education Building
University of Missouri-Kansas City
Kansas City, Missouri 64110
Phone: 276-2236

St. Louis

William Hamlin
325 Benton Hall
University of Missouri-St. Louis
St. Louis, Missouri 63121
Phone: 453-5541

King Wientge
Casey House
University of Missouri-St. Louis
St. Louis, Missouri 63121
Phone: 453-5791

Rolla

Jim C. Pogue
225 Humanities-Social Sciences
University of Missouri-Rolla
Rolla, Missouri 65401
Phone: 341-4631

Dudley Thompson
102 Parker Hall
University of Missouri-Rolla
Rolla, Missouri 65401
Phone: 341-4138

University-wide

Donald S. Holm, Chairman
219 University Hall
University of Missouri
Columbia, Missouri 65201
Phone: 882-3311

William D. Poore
Personnel Services
800 Lewis Hall
University of Missouri
Columbia, Missouri 65201
Phone: 882-4691

Marvin T. Caldwell
209 University Hall
University of Missouri
Columbia, Missouri 65201
Phone: 882-3311

Lee Belcher
800 Lewis Hall
University of Missouri
Columbia, Missouri 65201
Phone: 882-4829

STAFF BENEFITS OFFICES

Columbia

Leroy Sharp
307 Hitt Street
University of Missouri-Columbia
Columbia, Missouri 65201
Phone: 882-3683

Kansas City

Mrs. Jane Adkins
227 University House
University of Missouri-Kansas City
Kansas City, Missouri 64110
Phone: 276-1626

St. Louis

Paul Czervinske
17 Office Building
University of Missouri-St. Louis
St. Louis, Missouri 63121
Phone: 453-5804

Rolla

Mrs. Lorraine Walls
G-1 Parker Hall
University of Missouri-Rolla
Rolla, Missouri 65401
Phone: 341-4241

University-wide

John Graves
805 Lewis Hall
University of Missouri
Columbia, Missouri 65201
Phone: 882-6267

John Blakemore

823 Lewis Hall
University of Missouri
Columbia, Missouri 65201
Phone: 882-4850

In another matter at its April 20 meeting, the Board of Curators approved the Reliable Life Insurance Co. as the new carrier for the University's Accidental Death and Dismemberment Insurance program (ADD). The effective date is May 1.

The premium for this coverage will be 48 cents annually per \$1,000 coverage. This will be a reduction of 12 cents from the 60 cents premium which has been paid to the previous carrier, Stuyvesant Life Insurance Co. The reduction in cost is without any change in policy provisions.

As in the case of the Salary Continuance plan, employees presently participating in the Accidental Death and Dismemberment plan will automatically be

continued with the new company after May 1. In addition, anyone now in the program but not enrolled for the maximum amount of coverage can increase the coverage. The new coverage would be effective on the date the completed application for the new amount is received.

Enrollment of new members also will be permitted in the Accidental Death and Dismemberment plan. Previously, an employee had to participate in the Salary Continuance program in order to be eligible for ADD membership. That requirement now has been dropped.

The ADD program will be explained to employees during the campus visits now being arranged in connection with the Salary Continuance plan.