

**Faculty Group Practice (FGP)
Benefit Changes Effective September 1, 2020**

Due to the financial hardship experienced as a result of COVID-19, the University of Arkansas System Office and UAMS have been looking at several cost-cutting measures that has a positive financial impact with minimal disruption for our faculty and staff. One of those measures include changes to two components of the Faculty Group Practice (FGP) benefit plans. These changes will take effect September 1, 2020.

Which benefits are changing?

1. Umbrella Liability Coverage
2. FGP Long Term Disability

Umbrella Liability Coverage

Effective September 1, the premium for the Umbrella Liability policy will no longer be covered by UAMS. The reason for this change is, based upon a recent audit, there has been one claim on this benefit over the last 20 years. Due to the low usage, eliminating this benefit creates an opportunity for UAMS to save this unnecessary cost to cover current and future expenses, while retaining key health benefits that are important to our faculty members.

Current employees who elected this policy will remain enrolled until August 30, 2020.

Should you wish to retain this benefit, please contact McGriff Insurance Services at 800-827-7844 to determine if an individual policy may be an option for you at that time. As a reminder, most homeowners' policies offer an umbrella policy option, which may reduce your homeowners' premium. Please contact your current homeowners' agent to determine if you qualify.

FGP Long Term Disability

Also, effective September 1, the long-term disability benefits for FGP members will be insured under one group policy through the University's current disability carrier, Standard.

Following is a comparison of current benefits (the hybrid of a group plan with Standard and an individual plan through James D. Foss & Associates) and the new group plan. At this time this went to print, the Summary Plan Description for the new LTD plan was not finalized. We will share that with you via e-mail and will post it on our website as soon as it becomes available.

	CURRENT – FGP GROUP “BASIC” STANDARD PLAN & INDIVIDUAL “EXPANDED” UNUM PLAN	NEW - THE STANDARD FGP GROUP LTD PLAN AS OF 9/1/2020
Group vs. Individual	<p><u>Group “Basic” Standard Plan</u> First \$100,000 annual salary covered under group “Basic” plan administered through UAMS HR.</p> <p><u>Individual “Expanded” Unum Plan</u> Additional income up to \$500,000 covered under individual “Expanded” plan administered by Foss.</p>	One group policy covering income up to \$500,000, administered through UAMS HR.
Insurance carrier	<p><u>Group “Basic” Standard Plan</u> The Standard</p> <p><u>Individual “Expanded” Unum Plan</u> Unum</p>	The Standard Insurance Company
Coverage maximum	<p><u>Group “Basic” Standard Plan</u> First \$100,000 annual salary with Maximum Benefit of \$5,000 per month</p> <p><u>Individual “Expanded” Unum Plan</u> Additional income up to \$500,000 covered under individual “Expanded” plan administered by Foss.</p>	Increased LTD Benefit to cover salary up to \$500,000 of annual earnings. The maximum monthly benefit is \$25,000.
Income that is covered	<p><u>Group “Basic” Standard Plan</u> UAMS base + selected incentives + VA pay</p> <p><u>Individual “Expanded” Unum Plan</u> UAMS base + selected incentives + VA pay</p>	UAMS Base + selected incentives
Monthly benefit	<p><u>Group “Basic” Standard Plan</u> 60% salary replacement based on earnings as of last day of work prior to disability. Maximum Benefit of \$5,000 per month</p> <p><u>Individual “Expanded” Unum Plan</u> 60% salary replacement based on income when policy was purchased. Maximum Benefit of \$20,000 per month</p>	60% salary replacement based on earnings as of last day of work prior to disability. Maximum Benefit of \$25,000 per month
Who pays premium?	<p><u>Group “Basic” Standard Plan</u> UAMS</p> <p><u>Individual “Expanded” Unum Plan</u> Participant Paid</p>	No change
Option to pay taxes on employer-paid premium now, thus future LTD benefits would be tax-free	Individual election upon hire, with option to stop taxation after age 60. Taxable premiums vary widely, up to \$3,000 @ month.	No change. One-time exception granted for tax choice election on 9/1/2020. Maximum taxable premium is \$150 @ month.

Premium calculation	<u>Group “Basic” Standard Plan</u> Employer Paid <u>Individual “Expanded” Unum Plan</u> Based on risk for each individual	No change
Maximum benefit payout period	<u>Group “Basic” Standard Plan</u> Maximum Benefit Period is: 59 or youngerTo age 65, or 5 years, if longer. 605 years 614 years 623 years 6 months 633 years 642 years 6 months 652 years 661 year 9 months 671 year 6 months 681 year 3 months 69 or older.....1 year <u>Individual “Expanded” Unum Plan</u> 63 or younger.....to age 67 64.....3 years 65-74.....2 years 75.....1 year	No change
Actively at work requirement	<u>Group “Basic” Standard Plan</u> Capable of active work on the day before coverage begins <u>Individual “Expanded” Unum Plan</u> 180 Days	No change
Subject to underwriting or guarantee issue	<u>Group “Basic” Standard Plan</u> Guarantee Issue <u>Individual “Expanded” Unum Plan</u> Subject to financial underwriting	No change
Pre-existing condition limitation	<u>Group “Basic” Standard Plan</u> 90 Day/12 Month Pre-existing Exclusion. Disability claims within the 1 st 12 months of insurance becoming effective will have a review period of 90 days prior to insurance becoming effective. <u>Individual “Expanded” Unum Plan</u> Conditions must be disclosed during application process	90 day/12 Month Pre-existing Exclusion (No change). Exception approved to grandfather in current FGP members with no pre-existing condition exclusion. Pre-existing will only apply to new members hired on or after 9/1/2020, if a claim is filed in the first year of coverage and the condition was pre-existing in the 3 months before coverage began.

<p>Elimination period (waiting period before benefits can be paid)</p>	<p><u>Group “Basic” Standard Plan</u> 180 days <u>Individual “Expanded” Unum Plan</u> 90 days during first 2 years of employment, then 180 days.</p>	<p>No change</p>
<p>Benefit offsets that would reduce LTD benefit payments</p>	<p><u>Group “Basic” Standard Plan</u></p> <ul style="list-style-type: none"> • Work earnings • Worker’s Compensation • Social Security • Other group disability benefits <p><u>Individual “Expanded” Unum Plan</u></p> <ul style="list-style-type: none"> • Work earnings • Worker’s Compensation • Social Security • Other disability benefits for total disabilities 	<p>The following provision is added to Deductible Income as of 9/1/2020. Benefits from individual disability plans will not be used as deductible income unless they exceed 80% of the Member’s indexed Predisability Earnings when added to the LTD Benefit under the Group Policy. Only the excess above 80% will be used as deductible income.</p>
<p>Definition of disability</p>	<p><u>Group “Basic” Standard Plan</u> 24 Month Own Occupation Period - During the Benefit Waiting Period and the 24-month Own Occupation Period you must be Disabled from your Own Occupation. <u>Individual “Expanded” Unum Plan</u> Own Occupation</p>	<p>As of 9/1/2020 the plan was enhanced to include Own Occupation with Medical Doctor Specialty Language –if a medical doctor, Own Occupation is considered to be the one general or sub-specialty in which you are board certified to practice for which there is a specialty or sub-specialty recognized by the American Board of Medical Specialties provided you have earned at least 60% of your gross professional service fee income in your specialty or sub-specialty during the 24 months immediately before you become Disabled. If the sub-specialty in which you are practicing is not recognized by the American Board of Medical Specialties, you will be considered practicing in the general specialty category.</p>

Survivor benefit upon member's death	<u>Group "Basic" Standard Plan</u> 24 Months <u>Individual "Expanded" Unum Plan</u> 3 Months	No change
Partial Disability Benefit while working Part-Time or Decreased Level of Earnings	<u>Group "Basic" Standard Plan</u> Return to Work Incentive – During the first 12 months of working you are able to earn up to 100% of Predisability Earnings from Work Earnings and LTD Benefit Combined. Proportionate Benefit - After the first 12 months of working part-time your LTD Benefit will be calculated using the Proportionate Benefit Calculation in the policy. <u>Individual "Expanded" Unum Plan</u> Partial benefits payable when injury/sickness prevents one from performing all normal work duties and suffers loss of income. 12-month work incentive benefit and subsequent proportionate benefit and recovery benefit for residual disabilities	No change
Recurrent disability	<u>Group "Basic" Standard Plan</u> 1. During the 180 Day Benefit Waiting Period: a total of 90 days of recovery. 2. During the Maximum Benefit Period: 180 days for each period of recovery. <u>Individual "Expanded" Unum Plan</u> For disability recurrence within 6 months, no new elimination (waiting) period.	No change
Rehabilitation Plan Provision	<u>Group "Basic" Standard Plan</u> By mutual agreement <u>Individual "Expanded" Unum Plan</u> By mutual agreement	No change
3% COLA rider	<u>Group "Basic" Standard Plan</u> None <u>Individual "Expanded" Unum Plan</u> Member may purchase at their expense to receive cost of living adjustments ranging from 2-7%	No change

Serious illness benefits and catastrophic disability monthly benefit riders	<u>Group “Basic” Standard Plan</u> None* <u>Individual “Expanded” Unum Plan</u> Serious Illness or Catastrophic benefit riders available. *Member can purchase this coverage through the University’s Critical Illness plan during open enrollment.	No change
Portability/Conversion	<u>Group “Basic” Standard Plan</u> Conversion with a maximum LTD Conversion Monthly Benefit of \$4,000 or with approved EOI up to \$8,000 Available upon separation of employment. Rates are age-based. <u>Individual “Expanded” Unum Plan</u> Expanded plan is individual, fully portable.	No change

Q: I am concerned about “own occupation.” I am a specialized physician. If I am no longer able to perform those duties will I be forced to take a lesser job and lose my LTD benefits?

A: No. Here is an excerpt from the Summary Plan Description:
Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as the occupation you are regularly performing for your Employer when Disability begins. In determining your Own Occupation, we are not limited to looking at the way you perform your job for your Employer, but we may also look at the way the occupation is generally performed in the national economy. If your Own Occupation involves the rendering of professional services and you are required to have a professional or occupational license in order to work, your Own Occupation is as broad as the scope of your license. If your Own Occupation is medical doctor, during the Benefit Waiting Period through the end of the period for which benefits are payable, we will consider your Own Occupation to be the one general or sub-specialty in which you are board certified to practice for which there is a specialty or sub-specialty recognized by the American Board of Medical Specialties, provided you have earned at least 60% of your gross professional service fee income in your specialty or sub-specialty during the 24 months immediately before you become Disabled. If the sub-specialty in which you are practicing is not recognized by the American Board of Medical Specialties, you will be considered practicing in the general specialty category.

Q: Why is VA pay no longer covered?

A: The group plan will only cover wages and incentives paid by UAMS and processed through our payroll system. This affects less than 50 faculty members.

Q: If I elect to keep my current expanded individual plan and pay that premium myself to James D. Foss and Associates, and I become disabled in the future, will that plan pay in addition to the new UAMS group plan, such that my benefit will be greater than 60% of what I was making?

A: Yes, but only up to a point. If the combination of LTD benefits from your individual plan and the new UAMS group plan would exceed 80% of your previous income, then the UAMS benefit will be reduced so that the combined benefits would not exceed 80%.

Q: If I decide to keep my current expanded individual plan, can I payroll deduct the premium?

A: No, as we are changing vendors you will not be able to do payroll deduction for an individual plan. You may contact James D. Foss and Associates at 501-221-3700 to determine if this is an option.

Q: If I have questions, who do I contact?

A: You may contact the UAMS Office of Human Resources at (501) 686-5650 or AskHR@uams.edu. Questions about your current individual expanded coverage should be directed to James D. Foss and Associates, 501-221-3700.

Rev 8/24/20