Meeting of February 24, 2012

AGENDA ITEM D

UCRP – Disability Program Review

The review of disability benefits is being conducted as an outcome of the President's Post Employment Benefits (PEB) Task Force, in part to determine if and to what extent a long-term disability benefit should be provided under the new UCRP tier beginning in July 2013. In addition to the PEB Task Force's suggestion, the University Committee on Faculty Welfare (UCFW), the Chief Humans Resources Officers (CHROs) and other interested stakeholders requested that an expanded, programmatic and transactional review of the entire disability process be conducted, not just on disability benefits available under UCRP. The goal is to develop recommendations for process improvements and a more systematic, integrated approach to administering disability and other benefits.

Based on these requests, a steering committee and work team, including subject matter experts on the various disability benefits from several locations, were convened. The committee and work team met regularly from July through December 2011 and completed the first stage of the review.

The disability review consists of the following stages:

I. Process mapping (in-house) how the various disability benefits, including accrued sick leave, workers' compensation, non-occupational disability insurance, and UCRP disability income interact and how the current administrative processes overlap and intersect.

II. Benchmarking current UC non-occupational disability benefits and administrative processes against industry standards and best practices. Comparing current UC non-occupational disability benefits and administrative processes with those of higher education comparators and other employers and comparing UC's current administration of occupational disability benefits with California comparators' processes.

III. Developing recommendations for process improvements and potentially benefit redesign options in consultation with stakeholders to prioritize and obtain funding for these improvements.

The initial mapping stage included presentations to and interviews with key stakeholder groups in order to engage and enlist their participation and feedback in the review process.

Following an extensive interview process, Mercer Consulting was selected to assist with the second phase of the review. It is expected that Mercer will deliver the benchmarking and a report of their findings and recommendations in March 2012.

The UCRS Board will be kept apprised of the disability review process, especially as it concerns UCRP.