

1 Sub SB 22, LONG-TERM DISABILITY MODIFICATIONS (Harper, W)

Anticipated Fiscal Impact: \$1.5M in Benefit Enhancements Offset by \$2.4M in Premium Savings

Summary

1 Sub SB 22 (2025) enhances Life and Long-term Disability (“LTD”) benefits for state employees and directs that the resulting costs to be funded through savings from an LTD premium reduction.

The enhancements for LTD include:

- Changing the standard of “any occupation” for ongoing LTD from “any gainful employment” to “60% of an employee’s pre-disability earnings”
- Allowing employees who regularly work overtime to get the benefit of that in LTD benefits up to 10 hours
- Providing a life insurance benefit equal to three months of LTD
- Making life assistance counseling available like it would be for those who are employed

For Life, they include:

- Increasing basic employee life insurance from \$25,000 to \$50,000.
- Adding two new tiers to state-paid life insurance for exempt employees. In addition to a \$100,000 tier for those making \$50,000 and above and \$200,000 for those making \$60,000 and above, the two new tiers will be \$300,000 for those making \$75,000 and above and \$400,000 for those making \$100,000 and above.

The cost of these enhancement (\$600,000 for LTD and \$900,000 for Life) is offset from a \$2.4M LTD premium reduction.