

**FISCAL YEAR 2021 BUDGET**

**Fund Summary**

**Fund Name** : Long Term Disability  
**Business Area** : Human Resources  
**Fund No./Bus. Area No.** : 9001 / 8000

|                             | <u>FY2020<br/>Current Budget</u> | <u>FY2020<br/>Estimate</u> | <u>FY2021<br/>Budget</u>       |
|-----------------------------|----------------------------------|----------------------------|--------------------------------|
| Beginning Fund Balance      | 2,533,588                        | 2,533,588                  | <b>2,595,977</b>               |
| Current Revenues            | 1,448,334                        | 1,452,389                  | <b>1,447,744</b>               |
| Total Available Resources   | <u>3,981,922</u>                 | <u>3,985,977</u>           | <b>4,043,721</b>               |
| Maintenance and Operations  | 1,390,000                        | 1,390,000                  | <b>1,492,500</b>               |
| Total Expenditures          | <u>1,390,000</u>                 | <u>1,390,000</u>           | <b>1,492,500</b>               |
| Planned Ending Fund Balance | <u>2,591,922</u>                 | <u>2,595,977</u>           | <b>2,551,221</b>               |
| Total Budget                | <u><u>3,981,922</u></u>          | <u><u>3,985,977</u></u>    | <b><u><u>4,043,721</u></u></b> |

The above summarizes the FY2020 Budget, the FY2020 Estimate and the FY2021 Budget for the Long Term Disability (LTD) Internal Service Fund. Also included are the beginning and ending fund balances, total revenues and total expenditures.

The LTD plan is a self-insured program established in 1985 and has been modified several times. In 2001, classified police officers were removed from the plan as a result of Meet and Confer negotiations, which replaced their disability plan with a Paid Time Off (PTO) program. Effective September 1, 2008, each new permanent full-time employee (other than classified police officers) is eligible for LTD coverage after one year of employment (previously two years).

The plan is actuarially funded, which means that each year's expenditures are a combination of current payments to disabled employees and an amount needed to ensure the long-term financial soundness of the fund. An independent actuary makes a determination of the most likely future trends in expenditures and investment return and suggests a proper contribution.

The Human Resources Department administers the plan and coordinates benefits to disabled employees in a way to avoid possible duplication of benefits with other insurance programs. A third-party administrator determines eligibility and pays claims.

Like all internal service funds, the Long Term Disability Fund derives its revenue from other City departments by transfer, through premium charges contained in each department's budget (G/L expense accounts 503060-Long Term Disability Civilian and/or 503061-Long Term Disability Classified). These premium charges cover the actuarially determined contributions as discussed above plus an amount for third-party administrative fees.

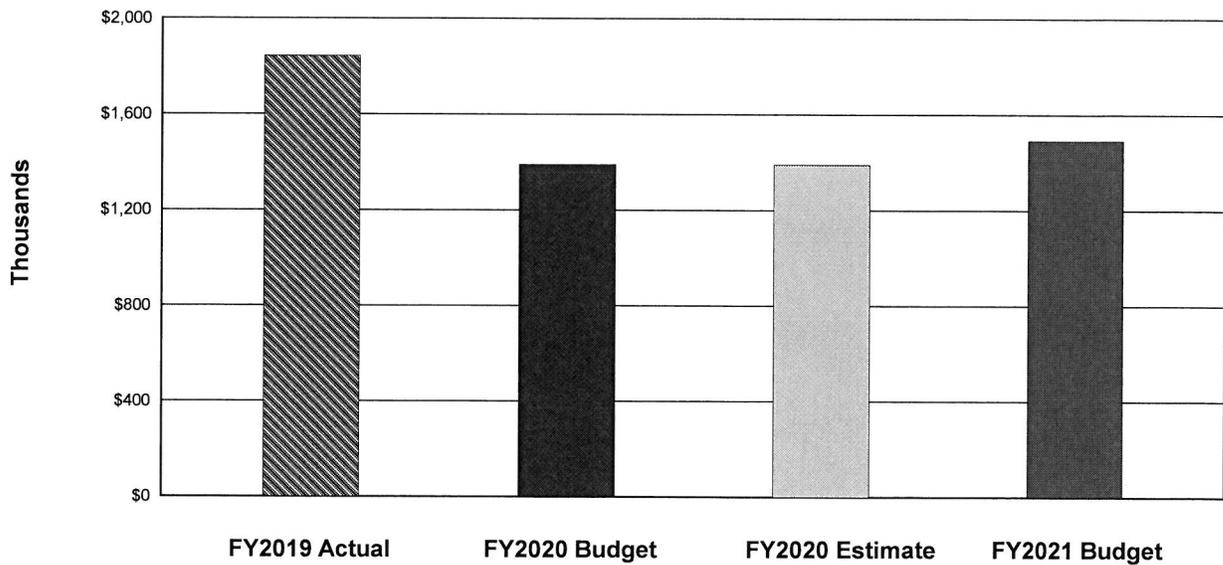
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**Business Area Budget Summary**

**Fund Name** : Long Term Disability  
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|   |  | FY2019<br>Actual | FY2020<br>Current Budget | FY2020<br>Estimate | FY2021<br>Budget |
|---|--|------------------|--------------------------|--------------------|------------------|
| Expenditures                              | Other Services and Charges   | 1,844,325        | 1,390,000                | 1,390,000          | 1,492,500        |
|   | Total M & O Expenditures   | 1,844,325        | 1,390,000                | 1,390,000          | 1,492,500        |
|   | Debt Service & Other Uses  | 0                | 0                        | 0                  | 0                |
|   | Total Expenditure  | 1,844,325        | 1,390,000                | 1,390,000          | 1,492,500        |
| Revenues                                  |  | 288,527          | 1,448,334                | 1,452,389          | 1,447,744        |
| Staffing                                  | Full-Time Equivalents - Civilian   | 0.0              | 0.0                      | 0.0                | 0.0              |
|   | Full-Time Equivalents - Classified   | 0.0              | 0.0                      | 0.0                | 0.0              |
|   | Full-Time Equivalents - Cadets   | 0.0              | 0.0                      | 0.0                | 0.0              |
|   | Total  | 0.0              | 0.0                      | 0.0                | 0.0              |
|   | Full-Time Equivalents - Overtime   | 0.0              | 0.0                      | 0.0                | 0.0              |
| Significant Budget Changes and Highlights | <ul style="list-style-type: none"> <li>o The FY2021 Budget continues funding on a full accrual basis supported by actuarial valuation and includes benefits for eligible employees in the LTD program.</li> <li>o The FY2021 contributions from City departments are based on FY2021 contribution rate of \$7.06/month per eligible employee. The FY2021 average eligible employee base is estimated at 15,200 employees.</li> </ul> |                  |                          |                    |                  |

**Long Term Disability  
Human Resources  
Expenditure Summary**



**FISCAL YEAR 2021 BUDGET**

**Division Summary**

**Fund Name** : Long Term Disability  
**Business Area** : Human Resources  
**Fund No. /Bus Area No.** : 9001 / 8000

| Division<br>Description  | FY2019 Actual |                  | FY2020 Estimate |                  | FY2021 Budget |                  |
|--|---------------|------------------|-----------------|------------------|---------------|------------------|
|  | FTEs          | Costs \$         | FTEs            | Costs \$         | FTEs          | Costs \$         |
| <b>HR - Benefits Administration</b> <span style="float:right">800012</span><br>Process long term disability claims for eligible employees. The claim costs are actuarially determined. | 0.0           | 1,844,325        | 0.0             | 1,390,000        | 0.0           | 1,492,500        |
| <b>Total</b>   | <u>0.0</u>    | <u>1,844,325</u> | <u>0.0</u>      | <u>1,390,000</u> | <u>0.0</u>    | <u>1,492,500</u> |

**FISCAL YEAR 2021 BUDGET**

**Business Area Revenues Summary**

**Fund Name** : Long Term Disability  
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| <b>Category</b>             | <b>FY2019<br/>Actual</b> | <b>FY2020<br/>Current Budget</b> | <b>FY2020<br/>Estimate</b> | <b>FY2021<br/>Budget</b> |
|-----------------------------|--------------------------|----------------------------------|----------------------------|--------------------------|
| Direct Interfund Services   | 90,873                   | 1,298,334                        | 1,272,389                  | <b>1,287,744</b>         |
| Interest                    | 197,654                  | 150,000                          | 180,000                    | <b>160,000</b>           |
| <b>Grand Total Revenues</b> | <u><u>288,527</u></u>    | <u><u>1,448,334</u></u>          | <u><u>1,452,389</u></u>    | <u><u>1,447,744</u></u>  |