

**EXHIBIT F  
 STD AND LTD CALCULATION EXAMPLE  
 CITY OF AUSTIN PURCHASING OFFICE  
 SHORT TERM AND LONG TERM DISABILITY INSURANCE  
 SOLICITATION NUMBER: RFP JRD0306**

**A. Current Short Term Disability Plan Design**

**Short Term Disability** is 100% employer paid, with immediate eligibility on date of employment. Thirty calendar day waiting period after disability begins (with benefits payable to the 90<sup>th</sup> day after disability began). The City currently applies the Short Term Disability rate to only 70% of the employee's annual salary.

Short Term Disability Monthly Calculation Example

1. 2015 Rate (including FICA and administrative handling) \$0.12 (per \$100 in salary)

2. Below is how the rates are applied.

Example:

Annual Salary	\$50,000.00
70% of Salary covered by STD	\$35,000.00
Divided by 100	\$ 350.00
Multiply by Rate	\$ 0.12
Annual Premium	\$ 42.00
Divided by 12 months (Premium per Month)	<u>\$ 3.50</u>

**B. Current Long Term Disability Plan Design**

**Long Term Disability** is 100% employee paid, with immediate eligibility on date of employment and a ninety day waiting period. Employee Participation cannot be guaranteed by City. Unlike Short Term Disability the City applies the Long Term Disability rate to 100% of the employee's annual salary.

1. Current 2015 Rates

Long Term Disability Monthly Calculation below is based on a 40 year old employee earning \$50,000 annually.

Rate Per Month \$0.274 (per \$100 in salary)

2. Complete this example as an illustration of how the rate is applied:

Example:

Annual Salary	\$50,000.00
Divided by 100	\$ 500.00
Multiply by Rate	\$ 0.274
Annual Premium	\$ 137.00
Divided by 12 months (Premium per Month)	<u>\$ 11.42</u>