



association of university and college employees

January 27, 1982

W.L. Clark
Assistant Director
Employee Relations Department
CAMPUS MAIL

Dear Mr. Clark:

Re: Group Disability -
Income Insurance Premiums

I feel compelled to comment on your letter of January 22, 1982 with respect to the Group Disability - Income Insurance Premiums since silence would seem to indicate tacit approval.

You state that the premiums for these two plans will be increased in excess of 30% on March 1st "because the reserves that should be held by the fund have risen at a far faster rate than the assets held due to a large increase in the number of claims." Since we do not have experience statements for the plans of course the Union does not know this. It also seems that management of these plans should have foreseen the necessity of increases to avoid such a drastic increase in premiums.

Further, we hardly see why our members should pay benefits equal to other participants when we don't collect the same benefits. We are considered Class 11 members - by far the inferior class, by definition of benefits and disability. Class 11 employees mean employees are unable to engage in any occupation for wage or profit while Class 1 employees (at UBC the academic administrative executive and professional and supervisory staff) means any employee unable to perform duties of his/her own occupation or the duties of another occupation for which his/her education, training or experience equip him/her.

Moreover, the amount of insurance for which an employee is insured will be determined by his/her classification under the following Schedule of Insurance:

With Respect to Employees of:

University of British Columbia
insured prior to January 1, 1974,
electing old benefit structure ...

Long Term Disability Benefits

50% of the 1st \$1,000. of monthly
salary plus 30% of any monthly
salary in excess of \$1,000. The
maximum monthly benefit is \$800.

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With Respect to Employees of:

Academic, Administrative Executive, Professional and Supervisory Staff of the University of British Columbia, insured prior to January 1, 1974 . electing new benefit structure and all such employees employed on and after January 1, 1974 ...

All other employees of the University of British Columbia insured prior to January 1, 1974, electing new benefit structure and all such employees employed on and after January 1, 1974...

Long Term Disability Benefits

70% of the 1st \$820. of monthly salary plus 60% of the next \$820. of monthly salary plus 40% of monthly salary in excess of the first \$1,640. The maximum monthly benefit is \$2,500.

70% of the 1st \$500. of monthly salary plus 60% of the next \$500. of monthly salary plus 40% of monthly salary in excess of the first \$1,000. The maximum monthly benefit is \$2,500.

The question of taxable income with respect to the payment of premiums will no doubt be an item of discussion during the upcoming set of negotiations.

Yours truly,

Carole Cameron
Union Organiser
AUCE Local 1

NB. We do realize that half of the 30%+ increase in premiums will, for the present, be paid by the University.