

November 18, 2010

11-034

Amend District President Contract Life Insurance and Long Term Disability Benefit Provisions To Conform to Rules of the Oregon Educators Benefit Board (OEBB)

PREPARED BY: Jerry Donnelly, Director, Human Resources

APPROVED BY: Wing-Kit Chung, Vice-President, Administrative Services
Dr. Preston Pulliams, District President

REPORT: On September 16, 2010 the Board adopted resolution 11-015, a three year renewal of the District President's contract. Section 9B of the contract continued the Board's commitment to provide life insurance "in the amount of two times annual salary", (which amounts to \$432,000). In addition Section 9 provides the District President other insured benefits in the same manner as all other administrative employees of the College, which includes long term disability (LTD) coverage. These insured benefits are provided by The Standard Insurance Company through the (OEBB).

In the process of implementing the life insurance and LTD provisions, Human Resources staff became aware that these provisions cannot be made to conform to the schedule of benefits of the OEBB. The OEBB life insurance options are: "two times annual salary" with a maximum benefit of \$300,000; or, "three times annual salary" with a maximum benefit of \$500,000.

In the prior year, college staff were instructed by OEBB representatives to enter 'adjusted salary data' (the driver for the life insurance benefit) in order to get the District President enrolled. However, that salary data also determines the value of the monthly LTD benefit in the event the District President should become disabled. This adjusted salary data has the effect of reducing the amount of LTD benefit that would be provided.

RECOMMENDATION: In order to conform to the available OEBB options, we recommend that the District President's contract be amended to provide the life insurance benefit at the level

of "three times annual salary, not to exceed \$500,000".
The annual additional cost to the college between the
intended \$432,000 and the \$500,000 level is \$114.12 or
\$9.51 per month. This option also allows the District
President's salary to be accurately reflected in the
system and does not jeopardize correct calculation of his
LTD benefit.

Human Resource Department Staff

PREPARED BY

Dr. Preston Williams, District President

APPROVED BY

Anna Albaugh has performed faithfully in her duties as a
Registration Clerk and Enrollment Services Specialist for
Portland Community College since November 4, 1995.
She retired effective November 30, 2010.

REPORT

RECOMMENDATION: That the Board commend her for her service to Portland
Community College and wish her well in her retirement.
Year:

RECOMMENDATION