

# 2014 M/C LIFE INSURANCE ANNUAL UPDATE INFORMATION

## **IMPORTANT NOTICE**

The 2014 annual update of the Management/Confidential (M/C) Group Life Insurance Plan is now in progress. This information is to advise you of changes that may affect your coverage. Please review this notice carefully. If you have any questions regarding your enrollment in the plan or if you desire to make changes in your M/C Life Insurance coverage, please contact your agency's Benefits Administrator.

## **AUTOMATIC CHANGES**

The annual update will result in automatic changes for:

- Any enrollee who has reached a higher five year premium age bracket as of September 1, 2014,
- Any enrollee whose age as of September 1, 2014 requires a reduction in coverage, and
- Any enrollee covered for a multiple of annual salary whose salary has changed as of June 1, 2014 by an amount sufficient to affect the amount of total coverage.

**Personal life insurance premium rates will remain the same for the plan year September 1, 2014 through August 31, 2015. There have been no changes to the administrative charges for the plan. The rates for Accidental Death and Dismemberment, as well as, the Accident and Sickness benefit remain at zero.**

## **CHANGES THAT ARE NOT AUTOMATIC**

You must contact your agency's Benefits Administrator promptly if:

- You want to change your beneficiary.
- You are divorced, or your marriage has been annulled. Your former spouse is not eligible to be a covered dependent under this Plan, even if a court orders you to maintain coverage. You must notify your agency's Benefits Administrator and end coverage for your spouse effective the date the marriage ended. Your former spouse may continue to be or may become the beneficiary of your life insurance coverage, however, if you had previously named your spouse as you beneficiary, you would need to re-designate them indicating that they are now your ex-spouse.
- You and your spouse are both enrolled as employees in the M/C Group Life Insurance Plan, and both are insuring children. Insurance industry practice allows children to be insured as dependents of only one employee under any one group insurance program. If duplicate coverage of dependent children is confirmed, coverage will be changed retroactively to comply. You must also review the continued eligibility of your dependent children. Advise your Benefits Administrator if your child is no longer eligible to continue coverage. If you are interested in a separate conversion policy for your child, you may request a "Conversion of Group Life Benefits to an Individual Policy" form from your Benefits Administrator.
- You want to change your status as a smoker. Individuals presently enrolled as "smokers" who have not smoked since September 1, 2013, may now apply for the special nonsmoker premium discount. To be eligible for a rate reduction, you must submit your application to your Benefits Administrator by September 30, 2014.

- You want to either increase or decrease your multiple of salary option. You must fill out a PS-934, M/C Life Insurance Transaction Form, check the "Change in Coverage" box in item 14, select one of the options in item 15 that is either greater or less than your current option choice (maximum 5 times salary or \$500,000). Complete the entire form before submitting it through your agency Benefits Administrator to the Employee Benefits Division, M/C Life Insurance Unit. Any increase in coverage requires that you submit a Statement of Health form directly to MetLife.
- You are planning to retire and wish to cancel your M/C Life Insurance. Your benefits will continue in retirement at the same level unless a written request is received from you indicating that you wish to cancel your coverage. To cancel your coverage, complete form PS-932 "M/C Life Insurance Transition to Retirement Notice" and select option 3, "Cancellation of M/C Life Insurance Coverage." **Coverage is NOT automatically cancelled at the time of retirement.**

### **NEW PAYROLL DEDUCTIONS AND COVERAGE AMOUNTS**

New premium costs may be reflected in your paychecks sometime in September 2014 for coverage changes effective September 1, 2014.

If you think an error has occurred in your salary-based coverage, you must report it to your Benefits Administrator no later than September 30, 2014.

### **REDUCTION IN COVERAGE**

All active enrollees age 65 and over will have their benefits reduced by the percentages shown in the chart below. The percentage of reduction is applied to the benefit the employee would receive if he or she were under age 65. There is no reduction if that benefit is \$15,000 or less. If coverage is based on a multiple of salary, in no case are benefits reduced below \$15,000.

#### **Percentage of Reduction in Benefits for Active and Retired Enrollees**

<b><u>Status</u></b>	<b><u>Age</u> 65-69</b>	<b><u>Age</u> 70-74</b>	<b><u>Age</u> 75-79</b>	<b><u>Age</u> 80 and over</b>
Active	35%	55%	70%	80%
Retired	35%	\$15,000*	\$15,000*	\$15,000*

\*Maximum benefit amount

Note: All active enrollees, regardless of age, are covered by Accidental Death and Dismemberment benefits. Retired enrollees are not eligible for Accidental Death and Dismemberment benefits on or after the September 1<sup>st</sup> which coincides with, or the next following, their 70<sup>th</sup> birthday.

### **RETIREMENT SYSTEMS DEDUCTIONS**

Premium changes for September coverage for retirees receiving pension deductions will occur in their pension checks dated August 31, 2014. New retirees, as they become eligible to have pension deductions, will receive information directly from the M/C Life Insurance Unit at a later date.

### **FOR FURTHER INFORMATION**

If you have questions concerning this update, please contact your agency Benefits Administrator.