



Department of Civil Service

ANDREW M. CUOMO
Governor

NY15-18

PE15-13

TO: Agency Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: Management/Confidential Group Life Insurance Plan Annual Update

DATE: August 6, 2015

EBD is preparing for the 2015 Annual Update of the Management/Confidential (M/C) Group Life Insurance Plan enrollment records.

Post the attached notice to inform your M/C enrollees of the 2015 M/C Group Life Insurance Plan Annual Update.

RATE SCHEDULE

Personal life premium rates will decrease 4.9% for the plan year September 1, 2015 through August 31, 2016. Additionally, the administrative charge rate for the plan will increase slightly resulting in a 0.1% increase in the dependent and spouse rates. Accidental Death and Dismemberment and Accident and Sickness rates will remain at zero.

CHANGES IN PREMIUM FOR ENROLLEES

The annual update will automatically produce a change in payroll deductions for NYS employees. Participating Employers will see changes to their enrolled employees' premium in their monthly bill with the Statement Date of August 7, 2015.

In addition to the premium change resulting from the change in the rate schedule, changes to an enrollee's premium occur when:

- Any enrollee has reached a higher five-year premium age bracket as of September 1, 2015;

- Any enrollee whose age as of September 1, 2015, requires a reduction in coverage; or
- Any enrollee covered at a multiple of annual salary who experiences a change in their salary which affects their total amount of coverage, including reaching the maximum benefit amount of \$500,000.

SALARY/COMPENSATION USED IN CALCULATIONS

Updated life insurance coverage for NYS enrollees who have chosen a multiple of salary option for their coverage amount is based upon the annual salaries as reported by the Office of the State Comptroller (OSC) for the following payrolls:

Institution Payroll checks dated July 23, 2015

Administration Payroll checks dated July 29, 2015

Updated life insurance coverage for PE enrollees or NYS enrollees whose salary is not reported by OSC is based upon the annual salaries reported by the agency Benefits Administrators.

Enrollees whose salaries change between the dates above and September 1, 2015, should submit a request for an adjustment in their coverage to reflect the salary change. Benefits Administrators should review their agency listing run from the NYBEAS Query explained in memo NY15-19 / PE15-15 and report any incorrect salaries to the Employee Benefits Division, ATTN: M/C Life Insurance Unit, no later than October 31, 2015.

Additional compensation paid on a permanent basis, such as location pay, geographic differential, or special allowance, will be included in the annual salary. However, items such as shift differential, overtime pay and maintenance adjustments are not considered salary for life insurance purposes.

Enrollees requesting to increase or decrease their multiple of salary option must fill out a PS-934, M/C Life Insurance Transaction Form, check the "Change in Coverage" box in item 14 and select one of the options in item 15, that is either greater or less than their current option choice. Enrollees may increase their multiple of salary option up to five times their annual salary, however the maximum benefit allowed under this policy is \$500,000. Increases in coverage requests require enrollees to mail a completed Statement of Health form to MetLife.

AGE-RELATED REDUCTIONS IN COVERAGE FOR ACTIVE EMPLOYEES

Active employees age 65 and over whose Life Insurance coverage exceeds \$15,000 will have a reduction in their benefit if they reach age 65, 70, 75, or 80 on or before September 1, 2015. The reduced coverage amount will take effect September 10 for Institution payroll employees and September 17 for Administration payroll employees and September 1 for employees of Participating Employers. The following chart shows the reduced percentage based on age.

Enrollee's Age	Percentage Reduction
65 through 69	35%
70 through 74	55%
75 through 79	70%
80 and older	80%

The employee's premium will be based on the reduced amount of coverage. In no case will an employee's coverage be reduced below \$15,000. If after the reduction the enrollee's coverage is not a multiple of \$1,000, it will be increased to the next higher \$1,000.

When an actively working enrollee reaches age 65, 70, 75, or 80 and their Life Insurance is reduced, their spouse's coverage may also be reduced. At no time can spousal Life Insurance benefits be more than 50% of an enrollee's Life Insurance benefit, with a maximum benefit of \$20,000.

AGE-RELATED REDUCTIONS IN COVERAGE FOR RETIREES

Retirees age 65 and over whose Life Insurance coverage exceeds \$15,000 will have a reduction in their benefit if they reach age 65 or 70 on or before September 1, 2015. The reduced coverage will take effect on September 1.

Enrollee's Age	Percentage Reduction
65 through 69	35%
70 and older	Reduced to \$15,000

Spouse coverage may be reduced when the enrollee's Life Insurance benefit is reduced. Spouse coverage will equal 50 percent of the enrollee's coverage or \$20,000, whichever is less.

ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE

All active employees, regardless of age, as well as retirees under age 70 will be covered for Accidental Death and Dismemberment (AD&D) benefits equal to their life insurance coverage up to \$250,000. Retired enrollees, age 70 and over, are not eligible for AD&D.

SMOKER/NON-SMOKER CHANGES

Individuals previously enrolled as “smokers” who have not smoked since September 1, 2014, may now apply for the special non-smoker premium discount. To apply for non-smoker status, enrollees must complete a PS-934 “Management/Confidential Group Life Insurance Transaction” form, including checking “Other” in block 14 and then submitting the completed form to their agency Benefits Administrator. These forms must be returned to their agency Benefits Administrator by September 30, 2015, and forwarded to and received by the M/C Life Insurance Unit by October 31, 2015.

EFFECTIVE DATES OF PREMIUM CHANGES/COVERAGE AMOUNTS

Effective dates of new payroll deductions and changes in the amount of life insurance coverage for NYS employees on the OSC payroll system will change automatically on the Institution and Administration paychecks dated as follows:

Payroll	First Paycheck with New Deduction	Effective Date of Changes in Life Insurance Coverage
Institution Current	8/20/2015	9/3/2015
Administration Current	8/26/2015	9/10/2015
Institution Lag	9/3/2015	9/3/2015
Administration Lag	9/9/2015	9/10/2015

Effective dates of new payroll deductions and changes in the amount of life insurance coverage for PE enrollees will be September 1, 2015.

AGENCY AND INDIVIDUAL UPDATE NOTICES

In mid-August 2015, agencies will be able to run a report in NYBEAS showing the updated status for their enrollees. HBA memo NY15-19 / PE15-15 will be issued by mid-August providing detailed instructions on how to run this report. If you have any questions please call the M/C Life Insurance Unit at (518) 473-3496 and select the life insurance option.

Enclosure: Notice to Enrollees

2015 M/C LIFE INSURANCE ANNUAL UPDATE INFORMATION

IMPORTANT NOTICE

The 2015 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 Benefits Administrator.

AUTOMATIC CHANGES

The annual update will result in automatic changes for:

- Any enrollee has reached a higher five-year premium age bracket as of September 1, 2015;
- Any enrollee whose age as of September 1, 2015, requires a reduction in coverage; or
- Any enrollee covered at a multiple of annual salary who experiences a change in their salary which affects their total amount of coverage, including reaching the maximum benefit amount of \$500,000.

Personal life premium rates will decrease 4.9% for the plan year September 1, 2015 through August 31, 2016. Additionally, the administrative charge rate for the plan will increase slightly resulting in a 0.1% increase in the dependent and spouse rates. Accidental Death and Dismemberment and Accident and Sickness rates will remain at zero.

CHANGES THAT ARE NOT AUTOMATIC

You must contact your agency 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 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, 2014, 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, 2015.
- 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. You may increase your multiple of salary option up to five times your annual salary, however the maximum benefit allowed under this policy is \$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

Effective dates of new payroll deductions and changes in the amount of life insurance coverage for NYS employees on the OSC payroll system will change automatically on the Institution and Administration paychecks dated as follows:

Payroll	First Paycheck with New Deduction	Effective Date of Changes in Life Insurance Coverage
Institution Current	8/20/2015	9/3/2015
Administration Current	8/26/2015	9/10/2015
Institution Lag	9/3/2015	9/3/2015
Administration Lag	9/9/2015	9/10/2015

Effective dates of new payroll deductions and changes in the amount of life insurance coverage for PE enrollees will be September 1, 2015.

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, 2015.

REDUCTION IN COVERAGE

On the September 1st after you reach age 65, 70, 75 or 80, if your coverage amount is based upon your salary, the coverage amount in effect at that time will be reduced as indicated below. Coverage will not be reduced below \$15,000. If, after the reduction is applied, your coverage is not a multiple \$1,000, it will be rounded up to the next higher \$1,000.

Percentage of Reduction in Benefits for Active and Retired Enrollees

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

*Maximum benefit amount

When an actively working enrollee reaches age 65, 70, 75, or 80 and their Life Insurance is reduced, their spouse's coverage may also be reduced. At no time can spousal Life Insurance benefits be more than 50% of an enrollee's Life Insurance benefit, with a maximum benefit of \$20,000.

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 1st which coincides with, or the next following, their 70th birthday.

RETIREMENT SYSTEMS DEDUCTIONS

Premium changes for September coverage for retirees receiving pension deductions will occur in their pension checks dated August 31, 2015. 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 Benefits Administrator.