



## Department of Civil Service

ANDREW M. CUOMO  
Governor

NY16-15  
PE16-14

TO: Agency Health Benefits Administrators

FROM: Employee Benefits Division

SUBJECT: Management Confidential (M/C) Group Life Insurance Plan Annual Update

DATE: August 1, 2016

The Employee Benefits Division is preparing for the 2016 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 2016 M/C Group Life Insurance Plan Annual Update.

### **RATE SCHEDULE**

**Premium rates will increase 0.6 % for Personal Life Insurance and 10.5% for Dependent (both Spouse and Child coverage) Life Insurance for the plan year September 1, 2016 through August 31, 2017. Accidental Death and Dismemberment coverage will increase from a zero premium rate to 0.6%. Accident and Sickness rates will remain at zero. Additionally, the administrative charge rate for the plan has increased to 2.6%.**

### **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 employee's premium in their monthly bill with the Statement Date of August 5, 2016.

Changes to an enrollee's premium occur when:

- Any enrollee has reached a higher five-year premium age bracket as of September 1, 2016,
- Any enrollee whose age as of September 1, 2016, requires a reduction in coverage, or
- Any enrollee who elected coverage at a multiple of annual salary whose salary has changed by an amount sufficient to affect the total amount of coverage.

### **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:

Administration Payroll checks dated July 13, 2016  
Institution Payroll checks dated July 21, 2016

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. The annual salary can be accessed by running the BEA\_LIFE\_ANN\_SAL\_LIST Report. Please refer to NY 15-23/PE 15-19.

Enrollees whose salaries change between the dates above and September 1, 2016, should submit a request for an adjustment in their coverage to reflect the salary change. Once the agency listing has been obtained, Benefits Administrators should review the listing and report any incorrect salaries to the Employee Benefits Division, ATTN: M/C Life Insurance Unit, no later than **September 30, 2016**.

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

If an enrollee continues to work beyond age 65 and the enrollee's Life Insurance is more than \$15,000, the amount of the enrollee's coverage will be reduced effective the first day of the payroll period after the September 1 coincident with or after the day he or she reaches age 65, 70, 75, and 80.

<b>Enrollee's Age</b>	<b>Percentage of Coverage Retained</b>
65 but less than 70	65%
70 but less than 75	45%
75 but less than 80	30%
80 and older	20%

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 an even \$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**

If the enrollee selected the multiple of salary option, retired, and continues coverage under the Plan, the amount of the enrollee's Life Insurance coverage will be reduced effective on the September 1 coincident with or next following, the day the enrollee reaches age 65 or 70.

<b>Enrollee's Age</b>	<b>Percentage of Coverage Retained</b>
65 but less than 70	65%
70 but less than 75	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 but not above \$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, 2015, 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 you by September 30, 2016, and forwarded to and received by the M/C Life Insurance Unit by October 31, 2016.

## **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:

<b>Payroll</b>	<b>First Paycheck with New Deduction</b>	<b>Effective Date of Changes in Life Insurance Coverage</b>
Institution Current	8/18/2016	9/1/2016
Administration Current	8/24/2016	9/8/2016
Institution Lag	9/1/2016	9/1/2016
Administration Lag	9/7/2016	9/8/2016

Effective dates of new payroll deductions and changes in the amount of life insurance coverage for PE enrollees will be September 1, 2016.

Enclosure: Notice to Enrollees