

# 2017 M/C LIFE INSURANCE ANNUAL UPDATE INFORMATION

## IMPORTANT NOTICE

The 2017 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 who reached a higher premium age bracket as of September 1, 2017;
- Any enrollee whose age as of September 1, 2017, 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 coverage amount, including reaching the maximum benefit amount of \$500,000.

**Personal Life premium rates will decrease 10.4% while Dependent Life premium rates will increase by 4.8%. The actual rate increase for Dependent Life coverage will vary as the rates per age bracket have been updated consistent with Internal Revenue Code Table 1 rates. The current plan year Accidental Death and Dismemberment premium rates will remain in effect. The Accident and Sickness rates will remain at zero. The administrative charge rate for the plan decreased to 2.3%.**

## 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 can still be a beneficiary of your life insurance coverage. However, 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.
- Your dependent child has reached the age of 19, or 25 if they are a full time student. 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, 2016, 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, 2017.
- 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:

<b>Payroll</b>	<b>First Paycheck with New Deduction</b>	<b>Effective Date of Changes in Life Insurance Coverage</b>
Institution Current	08/31/2017	09/14/2017
Administration Current	08/23/2017	09/07/2017
Institution Lag	09/14/2017	09/14/2017
Administration Lag	09/06/2017	09/07/2017

Effective dates of new payroll deductions and changes in the amount of life insurance coverage for PE enrollees will be September 1, 2017.

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, 2017.

#### **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**

<b><u>Status</u></b>	<b><u>Age</u></b> 65-69	<b><u>Age</u></b> 70-74	<b><u>Age</u></b> 75-79	<b><u>Age</u></b> 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 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, 2017. 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.