



Department of Civil Service

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NY20-17
PE20-15

TO: Agency Health Benefits Administrators

FROM: Employee Benefits Division

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

DATE: August 3, 2020

The Employee Benefits Division is preparing for the 2020 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 2020 M/C Group Life Insurance Plan Annual Update.

RATE SCHEDULE

For the plan year September 1, 2020 through August 31, 2021, Personal Life premium rates will increase 4.7%, Dependent Life rates will decrease 0.1%, and the Accidental Death and Dismemberment (AD&D) premium rates will decrease 0.3%. The Accident and Sickness rates will remain at zero and the administrative charge for the plan has decreased to 3.4%.

CHANGES IN PREMIUM

The annual update will automatically produce a change in payroll deductions for NYS employees. Participating Employers will see the change reflected in their August 7, 2020 monthly bill.

Changes to an enrollee's premium occur when:

- Any enrollee has reached a higher five-year premium age bracket as of September 1, 2020,

- Any enrollee whose age as of September 1, 2020, 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

Enrollees who have chosen a multiple of salary option for their coverage amount is based upon the annual salaries;

- Updated Life Insurance coverage for NYS as reported by Office of the State Comptroller (OSC) for the following payrolls:

Administration Payroll checks dated July 08, 2020

Institution Payroll checks dated July 16, 2020

- Updated Life Insurance coverage for PE enrollees or NYS enrollees whose salary is not reported by OSC, is based upon the annual salaries provided 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 regardless of how the salary update gets reported.

You should review your employee's salary information using the query above. If an employee's reported salary changes prior to September 1st, or the salary on the query report is incorrect, you must notify the Employee Benefits Division's M/C Life Insurance unit no later than September 30, 2020. PE Benefit Administrators may update the salaries themselves no later than September 30, 2020 by following the Salary Update Procedure mailing that was sent to your agencies in June.

Additional compensation paid on a permanent basis such as location pay, geographic differential, or special allowance, is 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" in box 12, provide the reason for the change and select one of the options in 13A. 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.

Enrollee's Age	Percentage of Coverage Retained
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.

Enrollee's Age	Percentage of Coverage Retained
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 coverage.

SMOKER/NON-SMOKER CHANGES

Individuals previously enrolled as “smokers” who have not smoked since September 1, 2019, 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 box 12 and then submitting the completed form to their agency Benefits Administrator. These forms must be returned to you by September 30, 2020 and forwarded to and received by the M/C Life Insurance Unit by October 31, 2020.

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	8/27/2020	9/10/2020
Administration Current	8/19/2020	9/3/2020
Institution Lag	9/10/2020	9/10/2020
Administration Lag	9/2/2020	9/3/2020

Effective dates of new payroll deductions and changes in the amount of Life Insurance coverage for PE enrollees will be September 1, 2020.

Enclosure: Notice to Enrollees