

# Group Life and Optional Benefits

# Agenda

- Open Enrollment Information
- Mid Year Benefit Changes
- What's New for 2013
- Death Benefits
- Disability Benefits
- Dependent Care Reimbursement

# Before We Begin

You may want to have reviewed the following documents available on our website:

- Enrollment Guide
- Premium Card
- Brochures
  - Life Insurance
  - Disability Benefits
  - Dependent Care Reimbursement Account

# Important Notes

- Some employees have health through union health trusts:
  - General Government
  - Public Safety Officers
  - Masters Mates and Pilots
  - Local 71
- These employees may need to enroll in health coverage with their trust

# Important Notes

- Some employees have health coverage through State's AlaskaCare Health Plan
  - Supervisory and Confidential
  - Exempt, Legislative, Judicial and Court System
  - Inlandboatmens and Marine Engineers
  - Correctional Officers
  - AVTEC and Mt Edgecumbe teachers
- These employees may want to change health benefits and can do that when enrolling in Optional Benefits

# 2013 Open Enrollment

- May 20 through June 7
- Coverage changes effective July 1
- Enroll to elect, drop, or change coverage
- Web enrollment only
  - You will need your Retirement ID Number (RIN)

# Open Enrollment

- Members who do not enroll will be defaulted to same benefits except:
  - Dependent Care Assistance Plan ends
  - Premiums recalculate for current age and monthly base wage

# Mid-Year Benefit Changes

- Outside of Open Enrollment, may change benefits only following qualified status change:
  - Gaining or losing a dependent through birth, adoption, marriage, divorce, death
  - Dependent is no longer eligible
  - Spouse begins or ends employment or begins extended leave without pay
  - You or spouse change from full-time to part time or vice versa

# What's New – Short Benefit Year

- Short six-month Benefit Year from July 1 through December 31, 2013
- This will accommodate a change to calendar year beginning January 1, 2014
- Members should make elections for the shortened year
- Next Open Enrollment will be in November/December for the new Benefit Year

# What's New - Benefit Changes

- Life Insurance for Supervisory, Confidential, Exempt, and General Government
  - Basic Life increases to \$10,000
  - Travel Accident increases to \$200,000
- All other employees have no changes in their benefits
- Select Life premiums increase for all enrollees

# Group Life Plan - Basic Life

- All permanent and long term nonpermanent employees
- Paid by the State
- Enrollment is automatic
- For death by any cause, plan pays:
  - \$10,000 for Supervisory, Confidential, Exempt, and General Government employees
  - \$2,000 for all others
- Pays \$5,000 additional for accidental death

# Group Life Plan - Travel Accident

- All State employees
- Paid by the State
- Enrollment is automatic
- Pays for accidental death while in travel status for the State
  - \$200,000 for Supervisory, Confidential Exempt and General Government
  - \$100,000 for all others

# Group Life Plan – Select Life

- All permanent & long term nonpermanent employees
- You pay premium post-tax
- Premiums increase July 1

July 1 Age	Per \$1,000
Under 30	0.11
30-39	0.12
40-44	0.17
45-49	0.23
50-54	0.33
55-59	0.47
60-64	0.65
65-69	0.92
70-74	1.97
75-79	3.70
80-84	5.23
85 and up	8.02

# Group Life Plan – Select Life

- Benefit equals your annual salary for death from any cause; doubled for accidental death
- Maximum is \$100,000 for Supervisory and Confidential employees, \$60,000 for all others
- May enroll in Select Life:
  - When first hired
  - During the annual Open Enrollment period
  - Following a qualified change in family or employment status
- Enrollment is done on paper – find one on our website

# Optional Benefits

- Available to all employees except members of Local 71 who have their own plan
- Includes death and disability benefits and Dependent Care Assistance Plan (DCAP)
- Pay for any of these options with pre-tax dollars

# Supplemental Life Insurance

- Covers you only
- Pays in a lump sum if you die
- You choose the level of coverage:
  - \$10,000
  - \$20,000
  - \$30,000
  - \$40,000
  - \$48,000

# Supplemental AD&D

- Pays for accidental death or loss of body part
- May choose:
  - Employee
  - Employee and Family which includes:
    - Spouse/same sex partner
    - Dependent children
      - 14 days old up to age 23
      - Dependent upon you for support
      - Living with you
      - Unmarried
- Must elect at least \$10,000 of Supplemental life insurance to have AD&D

# Supplemental AD&D

Family Composition	Full Benefit Amount
Employee, Spouse/Partner and Children Employee Spouse/Partner Each Child	\$100,000 \$ 40,000 \$ 5,000
Employee and Spouse/Partner Employee Spouse/Partner	\$100,000 \$ 50,000
Employee and Children Employee Each Child	\$100,000 \$ 10,000

# Supplemental AD&D

Type of Permanent Loss	Percentage of Full Benefit Amount
Life or both eyes, hands, or feet or any combination	100%
One eye, hand, or foot	50%
Thumb and index finger of the same hand	25%

# Supplemental Survivor Benefits

- Covers you only
- Makes monthly payments for selected period
  - 5 Years at \$765/month
  - 10 Years at \$455/month
  - 15 Years at \$360/month
  - 20 Years at \$315/month
  - 25 Years at \$290/month
  - 30 Years at \$275/month
- Must elect no more than \$10,000 of supplemental life insurance

# Payment Example

<b>Insurance For You</b>	<b>Non-Accidental Death</b>	<b>Accidental Death</b>
Basic Life*	\$2,000	\$7,000
Select Life	\$40,000	\$80,000
Supplemental Life	\$10,000	\$10,000
Supplemental AD&D	\$0	\$100,000
Supplemental Survivor	Monthly as elected	Monthly as elected
Subtotal Plus monthly Survivor Benefits	\$52,000	\$197,000
Business Travel Accident * If accidental while in travel status	\$0	\$100,000
Total Plus monthly Survivor Benefits	\$52,000	\$297,000

*\*For Supervisory, Confidential, Exempt or General Government  
Add \$8,000 Basic Life and \$100,000 Business Travel Accident*

# Death Benefit Considerations

- Supervisory, Confidential, Exempt and General Government members who select either \$48,000 supplemental life or \$10,000 life plus survivor will be subject to imputed income on the premiums for \$8,000
  - These selections, when combined with the new \$10,000 Basic Life exceeds the IRS \$50,000 limit on employer paid and pretax life coverage
  - The imputed income will be based on age and the IRS uniform premium tables
  - Amount of imputed income ranges from \$0.40 to \$16.48 per month

# Death Benefit Considerations

- Consider benefits you may have from other sources
  - Retirement
  - SBS Annuity
  - Deferred Compensation
  - Other private insurance and assets
- Supplemental Life and Survivor may be converted to a private policy when terminated
- Select Life may be continued into retirement or converted to a private policy

# Beneficiaries

- You need beneficiaries for all death benefits:
  - Group Life
    - Basic Life
    - Select Life if you are enrolled
    - Travel Accident (and Unpaid Compensation)
  - Optional Benefits
    - Supplemental Life
    - Supplemental AD&D
    - Supplemental Survivor

# Short Term Disability

- Pays \$210 per week
- Starts on 31st day if all leave is exhausted or the day after all leave is paid out
- Pays up to 180 days from disability date

# Long Term Disability

- Choose
  - Plan B – Covers 50% of monthly base wage
  - Plan C – Covers 70% of monthly base wage
- Must be totally disabled from any gainful occupation
- Starts after 180 days of disability
- Pays as long as disabled
  - Up to age 65 if disabled prior to 60
  - From 1-4 years if disabled after 60

# Disability Benefits – Timeline

October 1	Disabled – First day off work
October 31	STD Waiting Period Exhausted STD Benefits begin <i>if all paid leave is exhausted</i>
November 15 <i>If all paid leave wasn't exhausted by 31 days</i>	Paid leave is exhausted STD Benefits begin
March 29	STD Maximum Reached STD Benefits End LTD Benefits Begin

# Disability Benefits – Other Income

- Any other income, defined as a disability or retirement benefit required by law, is subtracted from the amount you would receive from Supplemental Disability including:
  - Retirement
  - Worker's Compensation
  - Social Security
  - Paid Leave

# Disability Benefits – Other Income

Covered Salary	\$4,000
Benefit Amount LTD Plan C Selected – 70% of Salary	\$2,800
Retirement	- <u>\$1,500</u>
LTD Pays (Assuming no other income)	\$1,300
Social Security	- <u>\$700</u>
LTD Pays	\$600

# Why Purchase Disability Benefits

- PERS pays for permanent disabilities
  - Supplemental covers temporary disabilities
- PERS Tier IV have only occupational disability
  - Supplemental would provide nonoccupational benefit
- PERS may be insufficient
  - Supplemental available at 50% or 70% of salary
- Social Security disability available only if you worked with a covered employer in the last 5 years

# Disability Benefits – Pre-existing

- Pre-existing condition is any condition for which you were treated, diagnosed, saw a doctor or took medication in the 12 months before your coverage started
- If you are disabled in the first two years of coverage due to a pre-existing condition, the plan will not pay any benefits

# Dependent Care Assistance

- Contribute pre-tax money to reimburse day care expenses while covered
- Reimburses expenses that allow you (and spouse if married) to work
- Eligible dependents are:
  - Children under age 13
  - Spouse or other tax dependents who :
    - Live in your home at least 8 hours per day
    - Are unable to care for themselves

# Dependent Care Assistance

- Contribute pre-tax money
  - Minimum - \$25 per month
  - Maximum - \$416 per month
- IRS Maximum annual contribution is:
  - \$5000 if you are single or married filing jointly
  - \$2500 if you are married filing separately
  - If your spouse is a fulltime student or disabled, the greater of their income amount or
    - \$2,400 if you have one child
    - \$4800 if you have two or more children
- May claim the federal tax credit for the difference between it and the amount received under this plan

# Dependent Care Assistance

- Use it or Lose it
  - Unused amounts are forfeited at year end
- Short benefit year so contributions should be calculated for six months only
  - Claims may be made for services received July through December only during this short year

# Next Steps

- Decide which options you want
- If you are covered by AlaskaCare health, watch the presentation for important information on your health plan
- Get your RIN
  - Need help? Find this button on our website 
- Review your current benefits and enroll!
  - Need help? Watch the enrollment presentation on our website
- If you want to enroll in or drop Select Life, the form is on our website and must be returned to our office by the June 7, 5pm

# Questions?

- Review the Open Enrollment webpages, materials and presentations at [www.alaska.gov/drb](http://www.alaska.gov/drb)
- Email us at [benefits@alaska.gov](mailto:benefits@alaska.gov)
- Call us at 800-821-2251 toll free or 465-4460 in Juneau
  - We've expanded our call center hours and are available from 8:30a to 4:00p