

HUMAN RESOURCES MEMORANDUM 15-031		DATE ISSUED: 12/18/2015
SUBJECT: Annual Premium Age Update Review – Basic Group Term Life Insurance, Supplemental Life Insurance, and Long Term Disability Insurance		REFERENCE: 2015-036
TO: DGS Managers and Supervisors, Personnel Liaisons, and Attendance Clerks		SUPERCEDES: HR Memo 14-039

PLEASE ENSURE THAT THIS INFORMATION IS SHARED WITH YOUR EMPLOYEES

Purpose Effective January 1, 2016, premium changes take effect for certain employees enrolled in the Basic Group Term Life Insurance, Supplemental Life Insurance, and Long Term Disability Insurance (LTD) Programs for excluded employees. These changes are based on the employee’s age, salary, and/or policy amount.

Basic Group Term Life and Supplemental Life Insurance The Basic Group Term Life Insurance policy for excluded employees requires that when employees reach age 70, their employer-paid life insurance premium and benefit will be reduced by 50 percent on January 1 of the following year. Therefore, effective January 1, 2016, (December 2015 pay period) premiums for these employees will be reduced by 50 percent. Benefits will be reduced as follows:

- Managerial employees from \$50,000 to \$25,000.
- Confidential and supervisory employees from \$25,000 to \$12,500.

Supplemental Life Insurance plan premiums are based on age and the amount of insurance purchased. In December, consistent with plan provisions, the Metropolitan Life Insurance Company (MetLife) conducts an annual age audit to determine if a premium increase is necessary and notifies affected employees of any premium increases. These increases take effect January 1, 2016, (December 2015 pay period).

Questions regarding these changes should be directed to MetLife at 1-800-252-8524.

Long Term Disability Annual Age The formula for calculating premiums for employees enrolled in the LTD program is based on the employee’s base salary, age, and retirement category (e.g., miscellaneous or safety). In December, the State Controller’s Office audits payroll history files to identify employees who had salary and/or age changes during 2015 that affect their premiums. Premiums for employees who moved to the next higher premium age group (e.g., from age 39 to 40, 49 to 50, etc.) will increase effective January 1, 2016, (December 2015 pay period).

Questions

For questions related to this HR Memo, please contact your Personnel Specialist.

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Office of Human Resources

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