



2018
CITY OF MILWAUKEE
ACTIVE EMPLOYEES
GENERAL CITY,
SWORN POLICE AND SWORN FIRE

VOLUNTARY AND FAMILY LIFE INSURANCE
SELF-SERVICE ENROLLMENT
INFORMATIONAL BROCHURE



Group Life Insurance Administrator
c/o Employees' Retirement System
789 North Water Street
Suite 300
Milwaukee, Wisconsin 53202

This brochure is for information purposes only. Your eligibility for Group Life Insurance is defined under Section 350-25 of the Milwaukee Code of Ordinances.

If you are eligible to participate in the voluntary life insurance program, you may elect or change your voluntary life insurance coverage option during the annual open enrollment period by using the City of Milwaukee Employee Self-Service Enrollment (e-Benefits) program. This year's open enrollment period is from October 23 through November 10, 2017. **Your election must be completed by the close of business on November 10, 2017.** The next opportunity you will have to elect or change voluntary coverage will be during the next annual open enrollment period.

Please review the following frequently asked questions and answers for a better understanding of your voluntary and family life insurance policy:

Voluntary Life Insurance

How do I know if I am an eligible for voluntary life insurance coverage?

You can participate in the voluntary life insurance program if you are a General City employee working more than 20 hours per week.

How much voluntary life insurance can I purchase?

You may purchase voluntary life insurance coverage in the following percentage options of your annual base salary: 50%, 100%, 150%, 200%, 250% and 300%, not to exceed a maximum of \$300,000.

What is meant by base salary?

Your base salary is the normal biweekly rate. It does not include overtime pay or any incentive pay.

What is the maximum life insurance coverage, including voluntary coverage, available through the City's group life insurance program?

The City's maximum group life insurance coverage, including voluntary coverage, is \$350,000 for General employees and \$355,000 for sworn Fire and Police employees (\$50,000/General City & \$55,000/Fire and Police in **basic** life insurance and 300% of annual base salary, not to exceed \$300,000, in voluntary life insurance).

How can I determine how much total life insurance coverage is available to me?

On page 6, of this brochure, is an example of how to calculate voluntary life insurance. You can follow this example to determine your voluntary life insurance coverage, the maximum coverage you can elect, and your share of the premium costs.

Can I cancel or change my voluntary life insurance coverage?

Your election of the voluntary coverage must remain in effect until the next open enrollment period. During each annual open enrollment period, you will have an opportunity to change your voluntary life insurance coverage option. Any election of coverage remains in effect until you change or cancel it.

If you currently do not have voluntary life insurance and are enrolling for the first time, evidence of insurability will be required.

If you are currently enrolled in voluntary life insurance and wish to increase coverage in a multiple greater than 50% of your annual base salary evidence of insurability will be required.

If you are currently enrolled in voluntary life insurance and wish to increase coverage by 50% of your annual base salary, evidence of insurability will NOT be required.

ANY ELECTION OF VOLUNTARY LIFE INSURANCE THAT REQUIRES EVIDENCE OF INSURABILITY (EOI) WILL BECOME EFFECTIVE ON THE 1ST OF THE MONTH FOLLOWING THE DATE APPROVED BY THE CARRIER. **COVERAGE WILL NOT BECOME EFFECTIVE UNTIL THE 1ST OF THE MONTH FOLLOWING THE APPROVAL DATE.**

NOTE: UNTIL YOUR REQUESTED INCREASE IN COVERAGE IS APPROVED WE WILL INCREASE YOUR COVERAGE BY 50% OF YOUR ANNUAL BASE SALARY EFFECTIVE JANUARY 1, 2018. (This does not apply to members who currently do not have voluntary life insurance and are enrolling for the first time.)

Is there a cost associated with voluntary life insurance coverage?

The City pays for \$50,000/\$55,000 of **basic** life insurance. Voluntary life insurance is entirely paid for by the employee based on the following monthly age-banded rates:

<u>Age</u>	<u>Rate per \$1,000</u>
<25	\$0.040
25-29	\$0.048
30-34	\$0.064
35-39	\$0.072
40-44	\$0.080
45-49	\$0.120
50-54	\$0.184
55-59	\$0.344
60-64	\$0.528
65-69	\$1.016
70-74	\$1.648
75-79	\$1.944
80-84	\$2.240
85-89	\$4.232
90+	\$6.400

Your voluntary life insurance premium will be deducted from your paycheck each month.

If I leave City employment for any reason other than retirement, can my group life insurance coverage, both basic and voluntary, be converted to an individual policy?

Yes, you may be eligible to convert your basic, voluntary and family life insurance policy into an individual policy, with the City's life insurance carrier, within 31 days of separation.

When I retire, can I maintain all of my life insurance?

No, you may only maintain your **voluntary** coverage by making the full premium payment yourself until your 65th birthday. At retirement upon reaching age 65 you will have a \$10,000 City paid policy. You **must** continue to carry at least 50% of your salary in voluntary coverage up to age 65 in order to have the City paid \$10,000 life insurance policy for retirees. If you wish to continue your voluntary coverage as a retiree after age 65 you

may do so by paying the age-banded rates. These payments will be deducted from your monthly pension benefit check. For all active employees, the \$10,000 City paid life insurance does not apply until retirement.

As an active employee what happens to my insurance coverage after age 65?

Active employees, regardless of age, will have the \$50,000/\$55,000 City paid **basic** life insurance and may continue to carry voluntary life insurance at the age-banded rates. If you do not continue to carry voluntary coverage as an active employee over age 65 you will not be eligible for the City paid \$10,000 policy at retirement.

If I am laid off or take an approved leave of absence, does my voluntary life insurance coverage remain in effect?

Any employee on an approved leave of absence or who is temporarily laid off is considered an active employee of the City. Therefore, your basic insurance plus the voluntary life insurance coverage will remain in effect for 12 months provided you make the necessary cash premium payments when due. (**Important** - Your GLI will lapse if you do not pay the premiums on the due date.)

If I don't pay the cash premiums when due, while in a laid-off status or on an approved leave of absence, must I wait for the next open enrollment period after I return to work to reapply for voluntary life insurance coverage?

No, once you return to work you will automatically be re-enrolled in whatever coverage you had before you went off the payroll.

What if I'm on a military leave, does my life insurance coverage remain in effect?

Yes, members on a military leave of absence will have both their \$50,000/\$55,000 City paid basic life insurance and any voluntary life insurance paid for by the City until the member returns to work.

If I become eligible for the Disability Waiver Benefit (Waiver of Premium Benefit) under the group life insurance contract, will my voluntary life insurance premiums be waived?

Yes, if you meet the requirements of the Disability Waiver of Premium Benefit and your waiver of premium claim is approved by the insurance company, your voluntary life insurance premium will be paid for by the insurance carrier.

Is this a Term or Whole life policy?

Voluntary life insurance is a “Term” policy, and as such, has no dividends or cash value to you. It will pay out only to your beneficiary (ies) in the event of your death.

Who will receive the proceeds from this policy when I die?

You may name any person, organization, charity or legal entity as a beneficiary (ies) with the following two exceptions:

- 1.) Your Employer
- 2.) Your spouse may claim up to 50% as marital property unless a Consent of Spouse form is completed and signed by you.

Proceeds not designated to a beneficiary will be payable in equal shares to the surviving beneficiary (ies) of the highest rank as listed below:

- 1.) Spouse of the employee
- 2.) Lawful living children of the employee
- 3.) Father and mother of the employee
- 4.) Siblings of the employee
- 5.) Administrator of the Estate of the employee

Can I change my beneficiaries at a later date?

Yes, it is important to keep your beneficiary designations up to date. You may change your beneficiaries at any time.

If I decide to sign up for the voluntary life insurance coverage, when will my coverage start?

If your election of voluntary life insurance coverage does not require EOI, coverage becomes effective on January 1, 2018. **Election of coverage that does require EOI will not become effective until the 1st of the month following the approval date.**

NOTE: Until your requested increase in coverage is approved we will increase your coverage by 50% of your annual base salary effective January 1, 2018. (This does not apply to members who currently do not have voluntary life insurance and are enrolling for the first time.)

In order for your election to take effect, *your election must be completed by 4:45 p.m. on November 10, 2017.*

How do I sign up?

All you have to do to enroll in voluntary life insurance is to make your election using the City of Milwaukee Employee Self-Service Enrollment (e-Benefits) program. Your election must be completed by the close of business on November 10, 2017

If you have any questions regarding the voluntary life insurance program, please contact the Group Life Insurance Administrator at 414-286-6157 between the hours of 8:00 a.m. and 4:45 p.m.

Remember, this will be your only opportunity to elect your voluntary life insurance coverage until the next annual open enrollment period.

REMINDER:

If you currently *do not* have voluntary life insurance and are enrolling for the first time, evidence of insurability WILL BE required.

If you are currently enrolled in voluntary life insurance and wish to increase coverage in a multiple *greater than 50%* of your annual base salary, evidence of insurability WILL BE required.

If you are currently enrolled in voluntary life insurance and wish to increase coverage *by 50%* of your annual base salary, evidence of insurability WILL NOT be required.

ANY ELECTION OF VOLUNTARY LIFE INSURANCE THAT REQUIRES EVIDENCE OF INSURABILITY (EOI) WILL BECOME EFFECTIVE ON THE 1ST OF THE MONTH FOLLOWING THE DATE APPROVED BY THE CARRIER. **COVERAGE WILL NOT BECOME EFFECTIVE UNTIL THE 1ST OF THE MONTH FOLLOWING THE APPROVAL DATE.**

NOTE: UNTIL YOUR REQUESTED INCREASE IN COVERAGE IS APPROVED WE WILL INCREASE YOUR COVERAGE BY 50% OF YOUR ANNUAL BASE SALARY EFFECTIVE JANUARY 1, 2018. (This does not apply to members who currently *do not* have voluntary life insurance and are enrolling for the first time.)

LIFE INSURANCE INFORMATION FOR MP SO AND POLICE MANAGEMENT MEMBERS ONLY

If you are an eligible active Sworn MP SO and Police Management employee, intend to retire between January 1, 2018 and December 31, 2018, and would like to carry group life insurance while retired, you MUST be enrolled in at least 50% of your annual base salary in voluntary life insurance coverage at the time of retirement.

If you are an eligible active Sworn MP SO or Sworn Police Management employee and intend to retire in the future, and would like to carry group life insurance while retired, at the very latest, you must sign up for voluntary life insurance during the open enrollment period in the year prior to which you retire.

If you are age 65 or older at the time of your retirement, and you have voluntary life insurance coverage in effect as an active employee on your last day of employment, and you have 20 years of creditable service, you will have 50% of your annual base salary at the time of your retirement as your life insurance coverage for the rest of your life at no cost to you.

If you are under age 65 at the time of your retirement, you will have the option to continue your voluntary coverage at 150% of your annual base salary at the time of retirement and pay for this coverage at age-banded rates, if you have at least 20 years of creditable service at the time of your retirement. As a retiree under the age of 65, you will also have the ability to reduce your coverage to any multiple of \$1,000 at the time of retirement. If you continue your enrollment in the City's GLI program as a retiree until you reach age 65, upon attaining age 65 your life insurance coverage will become 50% of your annual base salary at the time of your retirement, and this coverage will continue for the rest of your life at no cost to you.

VOLUNTARY LIFE INSURANCE CALCULATION

1. To calculate the amount of voluntary coverage that you would like to carry, take your annual base salary and multiply it by the selected insurance percentage option and then round up to the nearest thousand.
2. To calculate the monthly cost of voluntary life insurance, divide the amount of voluntary coverage that you would like to carry by 1,000 and multiply it by the rate per \$1,000 based on your age.

Example Calculation:

Employee age **23** with an annual base salary of **\$38,450.00** selecting **50%** of voluntary life insurance.

1. $\$38,450$ (salary) x 50% (voluntary life percentage option) = $\$19,255$ round coverage up to $\$20,000^*$
2. $\$20,000$ (coverage) \div 1,000 (rate per \$1,000) = 20 x $\$.04^{**}$ (age 23) = $\$.80$ per month

* Coverage cannot exceed \$300,000.

Voluntary Life Insurance Percentage Options

50% of annual base salary	200% of annual base salary
100% of annual base salary	250% of annual base salary
150% of annual base salary	300% of annual base salary

Monthly Age-Banded Rates (effective January 1, 2017)

<u>Age</u>	<u>Rate per \$1,000 of coverage</u>
< 25	\$0.040
25-29	\$0.048
30-34	\$0.064
35-39	\$0.072
40-44	\$0.080
45-49	\$0.120
50-54	\$0.184
55-59	\$0.344
60-64	\$0.528
65-69	\$1.016
70-74	\$1.648
75-79	\$1.944
80-84	\$2.240
85-89	\$4.232
90+	\$6.400

**Cost will increase as you move from one age-band to the next. Rate increases due to age will go into effect on January 1st of the following year.

Please note that “imputed income” may apply to your election and premium payments. For more information please visit the website at www.cmers.com then click on Benefits, then Life Insurance, and then click on the Life Insurance Plan Information for your employment group (general, fire, or police).

Family Life Insurance

What is family life insurance?

Family life insurance is a single fixed deduction that covers the employee's family (spouse or domestic partner and dependent children) regardless of the number of dependents.

Who is eligible for family life insurance?

To be eligible an employee must be enrolled in voluntary life insurance.

How much family life insurance coverage can I purchase?

Spouse or domestic partner will have \$25,000 of coverage. Each dependent child who is 6 months of age until the end of the year in which they turn 26 years of age will have \$10,000 of coverage. Dependent children 14 days or older but less than 6 months of age will have \$2,000 in coverage.

Who can I name as a beneficiary on my family life insurance policy?

The employee is the only beneficiary of family life insurance.

Is there a cost associated with family life insurance?

Family life insurance is paid for by the employee based on a flat amount of \$6.30 per month.

If I am laid off or take an approved leave of absence, does my family life insurance coverage remain in effect?

Any employee on an approved leave of absence or who is temporarily laid off is considered an active employee of the City. Therefore, your family life insurance coverage will remain in effect for 12 months provided you make the necessary cash premium payments when due. (***Important*** - Your GLI will lapse if you do not pay the premiums on the due date.)

If I don't pay the cash premiums when due, while in a laid-off status or on an approved leave of absence, must I wait for the next open enrollment period after I return to work to reapply for family life insurance coverage?

No, once you return to work you will automatically be re-enrolled in whatever coverage you had before you went off the payroll.

What if I'm on a military leave, does my family life insurance coverage remain in effect?

Members on a military leave of absence will have their family life insurance paid for by the City until the member returns to work.

If I leave City employment for any reason other than retirement, can I convert my group family life insurance?

Yes, you may be eligible to convert your family life insurance policy to an individual policy, with the City's life insurance carrier, within 31 days of separation.

When I retire, can I maintain my family life insurance?

No, family life insurance is only available to active employees.

Can I cancel or change my family life insurance coverage?

Your election of the family coverage must remain in effect until the next open enrollment period. During each annual open enrollment period, you will have an opportunity to change or cancel your family life insurance coverage. However, if you have a qualifying event (marriage or birth) you may enroll in family life insurance within 31 days of the event without evidence of insurability.

Enrolling in family insurance coverage during open enrollment for your spouse or domestic partner will be subject to evidence of insurability.

ANY ELECTION OF FAMILY LIFE INSURANCE THAT REQUIRES EVIDENCE OF INSURABILITY (EOI) WILL BECOME EFFECTIVE ON THE 1ST OF THE MONTH FOLLOWING THE DATE THE COVERAGE IS APPROVED BY THE CARRIER. **COVERAGE WILL NOT BECOME EFFECTIVE PRIOR TO THE APPROVAL DATE.**

Note:

You must purchase voluntary life insurance to be able to enroll in family life insurance.

Family life insurance will require your spouse or domestic partner to provide evidence of insurability.

If I decide to sign up for the family life insurance coverage, when will my coverage start?

If your election of family life insurance coverage does not require EOI, coverage becomes effective on January 1, 2018. **Election of coverage that does require EOI will become effective on the 1st of the month following the date the coverage is approved by the carrier.** In order for your election to take effect, **your election must be completed by 4:45 p.m. on November 10, 2017.**

How do I sign up?

All you have to do to enroll in family life insurance is to make your election using the City of Milwaukee Employee Self-Service Enrollment (e-Benefits) program. Your election must be completed by 4:45 p.m. on November 10, 2017.

If you have any questions regarding the family life insurance program, please contact the Group Life Insurance Administrator at 414-286-6157 between the hours of 8:00 a.m. and 4:45 p.m.

Remember, this will be your only opportunity to elect your family life insurance coverage until the next annual open enrollment period.