

## **Summary of Group Life Insurance (GLI) Benefits for Current Police Employees Covered by the Milwaukee Police Association (MPA) and Sworn Fire Employees**

### **Eligibility**

As a Police employee covered by the MPA and sworn Fire employee working for the City of Milwaukee you are eligible to enroll in the City's Group Life Insurance (GLI) Program, if you are working in a position with a designated work week of more than 20 hours per week.

Effective January 1, 2017, the carrier for the City's GLI program will be MetLife.

### **Coverage**

#### **Basic Life Insurance**

For eligible employees, the City, will automatically provide, at no cost to the employee, a basic coverage of \$55,000. Enrollment in basic life insurance is automatic and employees are not required to sign up or complete enrollment forms to participate in this plan.

You should, however, be sure to designate your life insurance beneficiary which can be done online via the City's self-service option, or by filling out a paper beneficiary form which can be obtained from the Employees' Retirement System (ERS) or by calling 414-286-6157. The form is also available on the website by clicking here.

This coverage ends upon separation, retirement, or death of the employee.

#### **Voluntary Life Insurance**

The City is also offering employees the opportunity to sign up for voluntary life insurance coverage. This coverage is based upon the annual base salary, and can be one of the following multiples of the salary: 50%, 100%, 150%, 200%, 250%, or 300%. The voluntary coverage is capped at \$300,000. If your salary is \$50,000 per year, you can get as much as \$150,000 in coverage.

You will need to pay for this coverage at age-banded rates that are shown in the "Monthly Rates" section below. The deductions will occur monthly on the second paycheck you receive each month.

This year's Open Enrollment provides you with a one-time only opportunity to sign-up for voluntary life insurance coverage without submitting Evidence of Insurability (EOI) to MetLife. After this open enrollment, electing any level of voluntary coverage if not already enrolled, or increasing the coverage by more than 50% if already enrolled, will require you to provide MetLife with EOI. The EOI is a medical questionnaire plus other medical information or examinations that may be needed by the insurance carrier before allowing a person to purchase voluntary coverage. **This requirement, however, is being waived for the 2017 open enrollment period (October 17 through November 4, 2016). An employee may purchase any allowable percentage option of voluntary coverage up to the maximum of 300% (capped at \$300,000) without submitting any evidence of insurability this year (2016 for coverage in 2017).** In subsequent years you will only be able to increase your coverage by 50% of existing coverage without the EOI.

You may only change voluntary coverage during annual open enrollment periods. Your election of voluntary coverage must remain in effect until the next open enrollment period.

For additional information about life insurance coverage after retirement, please refer to the "Retirement Benefits" section below.

**Current Police Employees Covered by the MPA and Sworn Fire Employees Age 65 or Older:** If you would like to have coverage in addition to the basic \$55,000 coverage described earlier. You must also elect, as an active employee, at least 50% of your annual base salary in voluntary life insurance coverage in the open enrollment period in the year prior to which you retire, if you would like to have a \$10,000 City-paid policy as a retiree. Please refer to the "Retirement Benefits" section for more information.

### **Family Life Insurance**

The City's GLI program also includes a family life insurance option that can be purchased for a flat amount of \$6.30 per month (this amount stays the same, regardless of the total number of dependents in your family). This coverage provides \$25,000 for spouses or domestic partners, \$2,000 per dependent child who is 14 days or older but less than 6 months, and \$10,000 per dependent child who is the age of 6 months until the end of the year in which the child turns 26 years of age.

To be eligible to enroll for this family coverage, an employee must purchase a minimum voluntary life insurance coverage of 50% of the annual base salary. You can enroll in family life insurance within 31 days of a qualifying event (marriage/birth) without evidence of insurability.

With the exception of this year's Open Enrollment, signing up for this family life insurance, outside of a qualifying event, will require your spouse or domestic partner to provide Evidence of Insurability (EOI) through MetLife. The EOI is a medical questionnaire plus other medical information or examinations that may be needed by the insurance carrier before allowing an employee to purchase family life insurance. **This requirement, however, is being waived for the 2017 open enrollment period (October 17 through November 4, 2016).**

The employee is the only beneficiary of family life insurance.

This family life insurance ends upon separation, retirement, or death of the employee.

### **Retirement Benefits**

Upon retiring from the City, on or after January 1, 2017, you must have purchased at least 50% of your annual base salary in voluntary life insurance coverage to be able to continue your enrollment in the City's GLI program. You will have the option to carry a minimum of whatever your coverage level was at the time of your retirement throughout your life. You can reduce or cancel your coverage at any time. **If you maintain a minimum of 50% of your annual base salary at the time of retirement in voluntary coverage until age 65, upon attaining age 65, \$10,000 of your coverage will be paid for by the City.** As a retiree, when you reach age 65, you may discontinue your voluntary coverage, or continue it at your discretion. You will still have the \$10,000 City-paid coverage.

Please note that the employer-paid \$55,000 basic coverage you had as an active employee will end upon retirement.

All premiums will be paid for at the age banded rates that are in effect at that time. For the current rates, please refer to the "Monthly Rates" section below.

**Monthly Rates (effective January 1, 2017)**

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

\* The age as of January 1 each year is used to determine the premiums for that entire year.

The rates shown here are subject to change after 3 years.

**Example:** An active Police employee covered by the MPA or sworn Fire employee who will be 51 years old on January 1, and whose annual base salary is \$41,200.00 signs up for group life insurance, and elects the 200% option for voluntary life insurance, and also elects family coverage.

**Basic Coverage**

- a. The employee will automatically have \$55,000 in City-paid basic coverage

**Voluntary Coverage**

- a. The annual base salary is \$41,200.00
- b. 200% of this amount is  $\$41,200.00 \times 200\% = \$82,400$
- c. Coverage is rounded up to the next full \$1,000, so the voluntary coverage will be \$83,000
- d. The monthly rate for a 51 year old is \$0.184 per \$1,000 of voluntary coverage
- e. The monthly premium owed by this employee for the voluntary coverage will be  $\$83,000 / \$1,000 \times \$0.184 = \$15.28$

**Family Coverage**

- a. The employee has a spouse and three children aged 5 years, 7 years and 28 years
- b. The employee will pay \$6.30 per month for family coverage
- c. The spouse and the children aged 5 years and 7 years will be covered; the 28 year old child will not be covered under the policy

**This employee will have a total coverage of \$83,000 + \$55,000 = \$138,000 plus family coverage for a monthly premium of \$15.28 + \$6.30 = \$21.58**

The employee can reduce coverage in subsequent open enrollment periods to 50%, 100%, 150%, or can completely cancel coverage during the open enrollment periods. The employee can also increase the coverage to 250% at the next open enrollment period without submitting evidence of insurability (EOI) to MetLife. Increases greater than 50%

of the annual base salary (in this case to 300%) will require an EOI to be approved by MetLife before the coverage amount increases.

If in the following year, when the employee is 52, the **employee gets a wage increase** on July 15 to a new annual rate of \$45,000.00, the voluntary life insurance coverage would also go up at that time (immediately on July 15), and the new coverage amounts and cost would be:

- Basic Life Insurance    \$55,000 (no change to coverage) and City continues to pay cost
  
- Voluntary Coverage    200% of new annual wage (\$45,000) = \$90,000.00, and the employee would pay for this coverage at the age 52 rate (\$0.184 per \$1,000 of coverage) = \$16.56 per month. This new deduction would go into effect on the next pay period when group life insurance deductions are scheduled to occur.
  
- Family Coverage        No change with the same cost of \$6.30 to the employee

**The employee would now have a total coverage of \$90,000 + \$55,000 = \$145,000 plus family coverage for a monthly premium of \$16.56 + \$6.30 = \$22.86 .**

**If this employee continues employment, and eventually retires at age 60**, and was still covered on the last day of employment at 200% of the annual base salary, the employee would have the option to continue this coverage upon retirement, or to reduce it to one of the lower multiples of 50% (50%, 100%, or 150%), or to completely drop coverage upon retirement.

If the employee's annual base salary was \$50,500 upon retirement, and the employee elects to carry 50% after retirement, the employee would have the following coverage as a retiree:

- Basic Life Insurance    None (the \$55,000 coverage ends upon retirement)
  
- Voluntary Coverage    50% of the annual base salary at time of retirement (\$50,500) = \$25,250  
Rounded to the next \$1,000 = \$26,000.00  
Employee would pay for this coverage at the age 60 rate (\$0.528 per \$1,000 of coverage) = \$26,000 / \$1,000 x \$0.528 = \$13.73 per month.  
This new deduction would go into effect on the first pension check that the person receives from the ERS.
  
- Family Coverage        None (this benefit ends upon retirement)

**As a retiree with 50% voluntary life insurance, this person would have a total coverage of \$26,000.00 for a monthly premium of \$13.73.**

Since this person reduced coverage to 50% (the minimum allowed) at the time of retirement, as a retiree the person cannot increase his/her coverage, however, may cancel coverage at any time.

**Upon turning age 65**, if this person kept at least 50% of the salary at the time of retirement in voluntary life insurance coverage while retired, \$10,000 of that coverage would then be paid for by the City (or former employing agency). The person may elect to either pay for the remaining \$16,000 in coverage from his/her pension payment, or may drop that coverage. The \$10,000 in coverage would still be provided at no cost to the person.

**At age 65, this person would pay \$1.016 per \$1,000 of coverage, so would pay a monthly premium of  $\$16,000 / \$1,000 \times \$1.016 = \$16.26$  for a total coverage of \$26,000.**

**Please note that the amounts and rates shown in this example are for illustration purposes only and may be different for your situation.**