

NEW EMPLOYEE ORIENTATION – GROUP LIFE INSURANCE

- The City offers term life insurance – policy has no cash value.
- We have 3 types of policies. Paid Basic Life, Voluntary and Family.

TYPES OF BENEFICIARIES – CHECK ORIGINAL DESTINATION

- A Primary Ben is the person or persons you designate to receive your life ins proceeds in the event of your death. You may name as many as you want. We will assume you want the benefits split equally unless you indicate you want otherwise. You can name trusts and estates as bens, but not a will. Any person, organization, charity or legal entity can be named.
- Minors CAN be named as bens, but cannot be paid out. The benefit will be paid to a named guardian who will be responsible for the distribution of the proceeds.
- A Contingent Ben is a backup person or persons that you choose to receive the benefit in the event that your primary ben has predeceased you. The proceeds will go to the closest living kin if no contingent is chosen.
- The life ins claim will be subject to court costs if you do not have at least one viable beneficiary.
- Consent of Spouse (Marital Prop Laws of WI) – may claim up to 50% even if not named on ben form. *****Please call Life Insurance Dept if you are married and not naming your spouse as primary beneficiary and need this form*****
- Keep beneficiaries up to date. We have had ex-girlfriends receive the proceeds from a policy because the member never updated the beneficiary with us. Just call the office and request a change form or download one from the ERS website and send it to our office.
- If you get divorced and want to keep your ex-spouse as a ben, you need to rename him or her as “ex-spouse” or they will be excluded.

PAID BASIC LIFE INSURANCE POLICY

- \$50,000 of coverage is paid by City of Milwaukee, and \$55,000 for Fire and Police Departments. You do not need to sign up, and the city does not issue actual policies. It is a group life plan, with group rates, and you are automatically enrolled. It is available as long as you stay an active employee. If you are terminated or resign, or retire, this coverage ends.
- All employees working more than 20 hours per week are eligible and seasonal employees become eligible after they attain 2080 total hours of work and become a regular position employee.

The policies go into effect the first day of the month following a 6 month waiting period for eligibility. This applies to all 3 types of policies.

JANUARY HIRE – start date is August 1

FEBRUARY HIRE – start date is Sept 1

MARCH HIRE – start date is Oct 1

APRIL HIRE – start date is Nov 1

MAY HIRE – start date is Dec 1

JUNE HIRE – start date is Jan 1

JULY HIRE – start date is Feb 1

AUGUST HIRE – start date is March 1
SEPTEMBER HIRE – start date is April 1
OCTOBER HIRE – start date is May 1
NOVEMBER HIRE – start date is June 1
DECEMBER HIRE – start date is July 1

VOLUNTARY LIFE INSURANCE

- In addition to the free insurance provided by the City, you have the opportunity to sign up for supplemental insurance. This is not a separate policy and provides group rates to City employees.
- There is a chart of rates in your packet that show how much the cost of insurance changes as you get older. It is on page 4 of the “New Employee Orientation” packet that follows. You will see that rates increase every 5 years as you get older.
- 50-300% of yearly salary are the options.
- As new employees, this is your chance to sign up for as much coverage as you want without having to go through Evidence of Insurability, which is basically a proof of good health with our insurance company Sun Life.
- Sign up as soon as possible. You can fill out the form now, or go into Self Service when you are signing up for health insurance and make your choices. This must be done within 31 days of your hire date if using Self-Service. The calculations are there for you to compare the costs to you per month. Sign up ASAP.
- Should you choose an amount and want to increase, you can do that at Open Enrollment and in increments of 50% without going through EOI.
- It won't matter until you turn 65, but you need to maintain at least 50% of voluntary insurance in order to qualify for \$10k of free insurance, and to continue life insurance policy @ retirement.
- You also need 50% OF voluntary in order to sign up for Family Insurance.

FAMILY LIFE INSURANCE

- All employees may enroll in family life insurance. It is a flat cost of \$6.30 no matter how big your family is. It covers your spouse or domestic partner and dependent children under the age of 26.
- Spouse has \$25k of coverage.
- Children are \$10k each, unless aged 14 days to 6 months and coverage is \$2000.
- YOU MAY SIGN UP FOR FAMILY WITHIN 31 DAYS OF A QUALIFYING EVENT (birth or marriage).
- Again, if you do not sign up during this period your spouse will have to go through EOI. Children are never required to do this.
- Like with changes to voluntary insurance, you may only cancel family during open enrollment. The changes would go in effect Jan 1 of the following year.

Sun Life OPTIONS

If you sign up for Vol Ins, Sun Life offers access to attorneys for will preparation. There is a flyer in your packet that shows this benefit and a few others from Sun Life, including an Accelerated Benefit Option.

City of Milwaukee Group Life Insurance New Employee Orientation

Rev 02/15/19

The Employees' Retirement System (ERS) is responsible for administering group life insurance (GLI) for employees of the City of Milwaukee, the Wisconsin Center District, and Milwaukee Housing and Redevelopment Authorities.

GLI is based on the City of Milwaukee Charter Ordinance Section 350-25 and on the current contract with Sun Life.

Group Life Insurance



All eligible employees working more than 20 hours per week will automatically receive a \$50,000 City paid basic life insurance policy. Note, enrollment in basic life insurance is automatic and employees are not required to sign up or complete enrollment forms to participate in this plan.

- Seasonal employees (working 20 hours or less per week) are not eligible for GLI until they attain 2080 hours of work and become a regular position employee.
- All regular position employees are subject to an eligibility waiting period of six months before becoming insured.
- GLI becomes effective on the first day of the month following the six month waiting period.
- This policy has no dividends or cash value.

City of Milwaukee Group Life Insurance New Employee Orientation

Types of Beneficiaries



A primary beneficiary is the person(s) designated by you to receive your life insurance proceeds in the event of your death.

If you elect a contingent beneficiary they will be paid the proceeds of your life insurance only if all persons listed as primary beneficiary(ies) predecease you.

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

1. Your Spouse, if alive;
2. Your child(ren), if there is no surviving Spouse;
3. Your parent(s), if there is no surviving child;
4. Your sibling(s) if there is no surviving parent; or
5. Your estate, if there is no surviving sibling.

Beneficiary Designation

Your employer cannot be named as a beneficiary for your Group Life Insurance.

According to the Marital Property laws of the State of Wisconsin your spouse may, in certain circumstances, have a claim to as much as 50% of the life insurance proceeds as marital property unless a Consent of Spouse form is completed and signed. This form can be obtained from the Life Insurance Administrator.

With the exception of your employer you can name any person, organization, charity or legal entity as a beneficiary for your Group Life Insurance.

Important

- **Keep your GLI beneficiary designations up to date.**
- **Keep all of your GLI information and correspondence in a safe place for future reference.**

City of Milwaukee Group Life Insurance New Employee Orientation



Voluntary Life Insurance



Voluntary life insurance is employee paid. However, **a minimum of 50% in voluntary coverage must be maintained to qualify for \$10,000 in City paid life insurance at retirement, upon reaching age 65.**

All eligible active employees may elect voluntary coverage with one of the following options:

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

To calculate the amount of voluntary coverage that you would like to carry, take your annual base salary and multiply it by the selected % above and then round up to the nearest thousand.

Example:

$\$38,450$ (annual base salary) \times 50% (percentage option) = $\$19,225$ round up to $\$20,000$ (coverage)

The most voluntary coverage any employee can have is 300% of annual base salary not to exceed \$300,000.

The most coverage any employee can have is $\$350,000$ ($\$50,000$ basic + $\$300,000$ voluntary).

Changes to voluntary coverage can only be done during open enrollment periods, and is effective January 1st of the following year.

Evidence of insurability is not required when enrolling in coverage within 31 days of becoming eligible for benefits. After 31 days evidence of insurability will be required.

You may be eligible to convert your group voluntary life insurance policy into an individual policy, with the City's life insurance carrier, within 31 days of separation.

City of Milwaukee Group Life Insurance New Employee Orientation

Cost of Voluntary Life Insurance



Voluntary life insurance is entirely paid for by the employee based on the following age-banded rates:

<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

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:

\$38,450 (annual base salary) x 50% (voluntary life percentage option) = \$19,225 round up to \$20,000* (coverage)

$\$20,000 \text{ (coverage)} \div \$1,000 \text{ (rate per \$1,000)} = 20 \times .040^{**} \text{ (age 23)} = \0.80 per month

* Coverage cannot exceed \$300,000.

** 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.

City of Milwaukee Group Life Insurance New Employee Orientation

Family Life Insurance



All eligible employees may purchase family life insurance. To be eligible an employee must be enrolled in voluntary life insurance.

- Family coverage is a single fixed deduction that covers the employee's (spouse and dependent children) regardless of the number of dependents.
- Spouse will have \$25,000 of coverage.
- Dependent children who are 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 who are 14 days or older but less than 6 months of age will have \$2,000 of coverage.
- Employee may elect family coverage within 31 days of a qualifying event (marriage/births).
- Evidence of insurability may be required for a spouse if adding coverage during open enrollment.
- Employee may only cancel family insurance during open enrollment periods.
- The employee is the only beneficiary of family life insurance.
- Family life insurance terminates upon the death of the employee.

Cost of Family Life Insurance



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

Accelerated Benefit Option



If you or your covered spouse becomes terminally ill or suffers from a specified medical condition, you can get up to 75% of your life insurance coverage amount ahead of time to pay medical and other bills.

City of Milwaukee Group Life Insurance New Employee Orientation

Effective Date of Coverage



If you sign up for voluntary and/or family life insurance during your initial period of eligibility, the coverage will go into effect at the same time as your basic group life insurance (on the first day of the month following the six month waiting period).

If you decrease or cancel voluntary life insurance during the annual “Open Enrollment Period” (October of every year), coverage will start on January 1st of the following year.

- Note: For changes that require evidence of insurability coverage begins on January 1st of the following year with approval from the carrier.
- If you already had voluntary coverage, Sun Life allows members to increase coverage by 50% without undergoing EOI, we will administratively increase your coverage to current_plus_50% of your annual salary as of January 1st of the following year.
- The remaining increase you requested will be effective on the 1st of the month following the successful completion of the EOI process and approval by Sun Life. An additional increase in premium deductions will occur at that time.
- If Sun Life denies the increase, your coverage will then remain at current_plus_50% of your annual salary.
- If you have also elected family coverage for the first time, this coverage will not go into effect until approved by Sun Life and may require your spouse to complete the EOI process. If you are electing family coverage, but do not have a spouse, please contact the Group Life Insurance section of the ERS at 414-286-3557.
- **This does not apply to members who currently do not have voluntary life insurance and are enrolling for the first time.**

City of Milwaukee Group Life Insurance New Employee Orientation

Most Frequently Asked Questions



Q. How do I know if I am eligible for group life insurance (GLI)?

A. All eligible employees working more than 20 hours per week will automatically receive a basic life insurance policy. Note, enrollment in basic life insurance is automatic and employees are not required to sign up or complete enrollment forms to participate in this plan.

Seasonal employees (working 20 hours or less per week) are not eligible for GLI until they attain 2080 hours of work and become a regular position employee.

Q. Is this a Term or a Whole life policy?

A. The GLI provided by the City is a “Term” policy, and as such, has no cash value to you. It will pay out only to your beneficiary(ies) in the event of your death.

Q. How much life insurance coverage will I receive?

A. All eligible active general city employees will receive a \$50,000 city paid basic life insurance policy. Additional employee paid voluntary and family life insurance is available.

Q. Can I insure my spouse or other family members under this policy?

A. Yes, family life insurance covers your spouse and dependent children. To be eligible an employee must carry voluntary life insurance.

Q. Who pays for the GLI?

A. The \$50,000 in basic life insurance coverage is paid for by the City of Milwaukee. Voluntary life insurance is paid for by the employee based on age-banded rates. Family life insurance is paid for by the employee based on a flat rate of \$6.30 per month.

Q. How do I know how much life insurance I have at any given time?

A. All eligible employees are given \$50,000 in City paid life insurance. Employees can purchase additional voluntary and family life insurance. If you are unsure of what coverage you have enrolled in you can contact the Group Life Insurance section of the Employees’ Retirement System at 414-286-3557 or 1-800-815-8418.

Q. What happens if I am on a Military Leave of Absence?

A. Employees on a military leave of absence will have their entire life insurance premiums paid for by the City of Milwaukee until the employee returns to work. This includes the \$50,000 basic City paid life insurance and any voluntary and family life insurance you are enrolled in.

City of Milwaukee Group Life Insurance New Employee Orientation



Most Frequently Asked Questions Continued



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

A. You may name any person, organization, charity or legal entity as beneficiary(ies) to receive the proceeds of this GLI policy upon your death, with the following two exceptions:

- 1.) Your employer cannot be named as a beneficiary for your Group Life Insurance.
- 2.) According to the Marital Property laws of the State of Wisconsin your spouse may, in certain circumstances, have a claim to as much as 50% of the life insurance proceeds as marital property unless a Consent of Spouse form is completed and signed.

Q. Can I change my beneficiaries at a later date?

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

Employees on the self-service system must log into their benefits information to change a beneficiary.

Employees who are not on the self-service system can either print out a Change of Beneficiary form from the ERS website @ www.cmers.com and click on benefits or they can contact the Group Life Insurance section of the Employees' Retirement System at 414-286-3557 or 1-800-815-8418.

Q. Can I get additional voluntary life insurance? What is the maximum amount of coverage available to me?

A. All eligible active employees may elect voluntary coverage with one of the following options:

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

Evidence of insurability is not required when enrolling in coverage within 31 days of becoming eligible for benefits. After 31 days (during open enrollment) evidence of insurability will be required on any increase in voluntary life insurance greater than 50% of existing coverage. If you do not have any voluntary life insurance and wish to purchase coverage during open enrollment evidence of insurability is required for all percentages of coverage.

The most coverage any employee can have is \$350,000 (\$50,000 basic + \$300,000 voluntary).

Q. What is meant by base salary?

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

City of Milwaukee Group Life Insurance New Employee Orientation



Most Frequently Asked Questions Continued



Q. Is the voluntary and family life insurance automatic?

A. No, you must apply for the voluntary and family life insurance separately from your basic life insurance. You may sign up for this extra life insurance during your initial period eligibility **(31 days)**.

Q. If I do not sign up for voluntary or family life insurance during my initial period of eligibility, do I have to prove insurability at a later date?

A. 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. For information on how to enroll during a qualifying event contact the Group Life Insurance section of the Employees' Retirement System at 414-286-3557 or 1-800-815-8418.

Outside of a qualifying event, you may apply for the voluntary or family life insurance during any subsequent "Open Enrollment Period". Any percentage elected outside of a qualifying event will require evidence of insurability. Family coverage may also be subject to evidence of insurability.

Q. Will there be additional costs to me if I sign up for voluntary or family life insurance?

A. Yes, voluntary and family life insurance will be paid for by the employee. The cost of voluntary life insurance is based on age-banded rates. The cost of family life insurance is based on a flat amount of \$6.30 per month.

Q. How do I pay for my monthly voluntary and family life insurance premiums?

A. Your monthly life insurance premiums will be deducted from your paycheck once a month.

Q. What happens if I take a leave of absence or I am laid off and I am not on the payroll?

A. This is a very important question and you should be sure you understand what will happen. If you are in a non-pay status (lay off or leave of absence) and you wish to keep your GLI in effect, you will need to make cash payments for the entire cost of the premiums during the period you are on a non-pay status. When the GLI section of the ERS is notified that you are off the payroll, they will send you a certified letter informing you of your premium cost and the method of payment. Premiums are generally billed for three-month periods in advance.

IMPORTANT

- **Your GLI will lapse if you do not pay the premiums on the due date.**
- **When you return to work, your GLI will be reinstated the first of the month following your return to work date.**

Q. Who should I contact if I have additional questions?

A. The Group Life Insurance section is located in the office of the Employees' Retirement System, 789 N. Water St., Suite 300, Milwaukee, WI 53202. Office hours are 8:00 a.m. to 4:45 p.m., Monday through Friday. The telephone number is 414-286-3557 or 1-800-815-8418.