

# **Gadsden State Community College**

## **Employee Group Term Life Insurance Program**

Available at Schools under the Alabama Department of Postsecondary Education

*This outline is intended only as an introduction to the Group Term Life Program. A complete outline of coverage is included in your insurance certificate(s), and the coverage provisions are detailed out in the master group policy on file with your employer.*

## Who is Eligible?

All regular employees who work at least 20 hours per week may enroll for coverage. You must enroll for coverage within 31 days of the date you first become eligible (usually the date you are hired). If you fail to enroll when you first become eligible, you may be required to submit evidence of insurability for yourself and any dependents you wish to insure, and coverage is not guaranteed.

## Employee Coverage Choices

You may select your coverage from the formula options listed below. However, the maximum amount you may purchase is capped at \$250,000.

- **Option A:** 100% of annual wages
- **Option B:** 150% of annual wages
- **Option C:** 200% of annual wages
- **Option D:** 250% of annual wages

Example:

Annual Earnings: \$ 29,265  
Times Option B:  $\times 1.50$   
Equals: \$ 43,897

Your rounded up death benefit: \$ 44,000

Your annual wage will be based on your wage level on November 1st of each year, and your benefit will be rounded up to the next higher \$1,000. This way, you will automatically maintain the same level of security for your heirs. If your circumstances change and you need to reduce or increase your coverage, you may do so in October of each year. Increases in coverage (other than automatic wage increases) may require answering health questions.

## Dependent Coverage Choices

- **Basic Option:** \$5,000 on spouse & \$2,500 on children
- **High Option:** \$25,000 on spouse & \$5,000 on children

Dependents include your spouse and unmarried children under age 20 who reside with you.

Children remain covered until age 26 while a full time student in an accredited institution.

## Other Important Features:

- **Living Benefit Rider:** Upon Certification of a Terminal Illness, up to 50% of the death benefit can be paid. Subsequent death benefits are reduced by any amount paid under this provision.
- **Disability Waiver of Premium Benefit:**
  - Premiums waived after six months of total disability (permanent disability no longer required)
  - If Disability is a result of an accident and continues for more than 12 months, a benefit equal to 1% of the death benefit will be paid for up to 100 months.
- **Enhanced Accidental Death Benefit and Dismemberment Benefit:** (continues through age 70)
  - **COMA Benefit:** If injury results in a Coma lasting more than 30 days, a monthly benefit equal to 1% of the death benefit will be paid for up to 100 months.
  - **Seat Belt Benefit:** Increases benefit by 20% when death results from an automobile accident in which the insured wore a seat belt.
  - **Extended Dependent Coverage:** Dependent coverage may continue for up to two years at no cost following your accidental death.
- There are many other enhanced features included with your coverage. They will be outlined in your Certificates of Coverage.

## What Happens When I Retire?

At retirement, you will have an opportunity to convert to an individual policy without providing evidence of insurability. However, by providing proof of good health, you may qualify for lower rates. The bottom line is that your ability to maintain your insurance is guaranteed.

## Will My Benefits Ever Change?

Yes and No. Your benefit is based on a percentage of your annual wage.

- As your salary changes, your benefit will automatically change. This way, you maintain the same level of security for your heirs.
- Each October you will have an opportunity to change your coverage option. If you want to increase coverage, you may have to answer a few health questions.

If you are still actively employed when you reach age 65, your benefit will be reduced by 35%. If you continue working after age 70, your benefit will reduce an additional 50%.

## What Must I Do?

You must accept or decline coverage by completing the enclosed form.

- If you are electing coverage, it authorizes your payroll deduction.
- If you decline coverage, it provides the required proof that you have had an opportunity to purchase coverage under the guaranteed insurability provisions, and that you have waived your rights.

## How Much Will My Insurance Cost?

Your premium will be based on your age on November first of each year. The rate and premium calculation tables will help you determine your cost. All employee rates include the Accidental Death and Dismemberment and Waiver of Premium Benefits.

<b>Employee Rate Table</b>			
<u>Your Age On November 1<sup>st</sup></u>	<u>Monthly Rate per \$1,000</u>	<u>Your Age On November 1<sup>st</sup></u>	<u>Monthly Rate per \$1,000</u>
Under 30	\$0.11	50 - 54	\$0.47
30 - 34	\$0.12	55 - 59	\$0.71
35 - 39	\$0.16	60 - 64	\$0.94
40 - 44	\$0.20	65 - 69	\$1.56
45 - 49	\$0.32	70 - 74	\$3.17

<b>Dependent Rates</b>
Monthly Rates include Accidental Death and Dismemberment Benefits.
<b>Basic Option:</b> \$2.19 per month. <i>Includes \$5,000 on your spouse and \$2,500 on each child.</i>
<b>High Option:</b> \$9.80 per month. <i>Includes \$25,000 on your spouse and \$5,000 on each child.</i>

## How Do I Calculate My Monthly Premium?

Follow the chart below using your actual age as of November 1st. The Example is based on age 40 -44, Option D (250% of earnings), and High Option Dependent Coverage.

1. Enter your Annual Salary \$ \_\_\_\_\_
2. Enter Benefit Percent: 100%, 150%, 200%, 250% x \_\_\_\_\_
3. Multiply Salary by Option (step 1 x step 2) = \_\_\_\_\_
4. Round to Next Higher \$1,000 \$ \_\_\_\_\_
5. Divide by 1,000 / \_\_\_\_\_
6. Enter Your Rate per \$1,000 from above x \_\_\_\_\_
7. Multiply Benefit by Rate (step 5 x step 6) = \_\_\_\_\_
8. Add Rate for Dependent Coverage Option + \_\_\_\_\_
9. Your Total Monthly Premium \$ \_\_\_\_\_

<b>Calculation Example</b>	
Salary	\$ 24,326
Benefit Percent	x 250%
Salary x Percent	= 60,815
Rounded Up	\$ 61,000
Divided by 1,000	= 61
Rate per \$1000	x .16
Employee Rate	= 9.76
Dependent Rate	+ 9.80
<b>Total Monthly Cost</b>	<b>\$ 19.56</b>

Group Term Life Policy Underwritten by:  
Reliance Standard Life Insurance Company  
Philadelphia, Pennsylvania

Plan Administered by:  
FlexComp Administration Services, Inc.  
P. O. Box 91566, Mobile, AL 36691-1566  
Phone: (251) 666-1999 Toll Free: (800) 340-8077  
Fax: (251) 666-0101 Toll Free Fax: (800) 329-3539  
Email: [FlexComp@FlexCompUSA.com](mailto:FlexComp@FlexCompUSA.com)