



Human Resources Department

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LIFE INSURANCE INFORMATION

Type of Coverage: Group Term Life Insurance

Enrollment: New employees have **31 calendar days** from date of hire to enroll in the group life insurance program without evidence of insurability. After the initial enrollment period an employee will be required to provide evidence of good health through the underwriting process to enroll or to increase the amount of coverage. Enrollment is voluntary; coverage may be waived. Enrollment/waiver form must be turned in to City Human Resources.

Amounts Available: *Basic Coverage* amount is for the employee's highest annual earnings rounded to the next highest thousand - the Basic Coverage allowed. Minimum dollar value of coverage is \$10,000 (for employees in certain classifications with less than \$10,000 annual earnings).
Supplemental Coverage in addition to the basic amount:
 50% Supplemental = Basic Coverage+50% (Basic Coverage x 1.5)
 100% Supplemental = Basic Coverage+100% (Basic Coverage x 2)
 200% Supplemental = Basic Coverage+200% (Basic Coverage x 3)

Employee Cost: Monthly Premium Rate Per \$1,000 of Coverage By Age Group
 Basic And Supplemental

Age Group	Cost per \$1,000 of Coverage
Under 25	\$.05
25-29	.06
30-34	.08
35-39	.09
40-44	.10
45-49	.15
50-54	.23
55-59	.43
60-64	.57
*65-69	.57
*Over 69 *over age 65 rates and coverage apply only if working	Free - Basic Coverage Only

Beneficiary: Benefits for loss of your life are payable to the beneficiary designated on the **Enrollment Form**. Your beneficiary may be changed by written notice on a **Change Form** available online at CityofMadison.com/HR/Benefits or from the Human Resources Department.

Dependent Coverage: designed to help with final expenses for death of a dependent – employee is the beneficiary for eligible dependent(s)

Units	Coverage	Cost
1 unit	\$10,000, spouse to age 65 and \$5,000, each dependent child to age 21 (age 25 if full-time student in an accredited school)	\$1.75/mo.
2 units	\$20,000, spouse to age 65 and \$10,000, each dependent child to age 21 (age 25 if full-time student in an accredited school)	\$3.50/mo.

Premiums: Premiums are deducted from the first paycheck of the month for current month's coverage. Premiums are deducted after tax.

Annual Update: In July of each year, premiums and insurance amounts are recalculated based on the prior year's gross earnings. Changes are reflected on the first check in July. An employee's Basic Coverage will be based on the employee's highest-earning year.

Accidental Death and Dismemberment: This additional benefit is included in the employee's coverage. The additional benefit is not included in dependent coverage.

Retirement Benefits: An employee who retires before age 65 may maintain the coverage in effect, or as little as Basic coverage, if selected, by requesting billing by the City and paying the premium billed. Bills are sent quarterly for three months' charges.

Example:

Age	Highest Pay Year	Coverage Selected	Total Coverage	Rate per \$1000	Coverage X Rate	Cost for Coverage	Cost for Dependent	Month Total
58	\$55,000	Basic+200%	\$165,000	\$0.43	165 X .43	\$70.95	\$3.50	\$74.45
60	\$55,000	Basic+200%	\$165,000	\$0.57	165 X .57	\$94.05	\$3.50	\$97.55
60	\$55,000	Basic Only	\$ 55,000	\$0.57	55 X .57	\$31.35	\$3.50	\$34.85

Quarterly cost for \$74.45 monthly charge: $\$74.45/\text{month} \times 3 \text{ months} = \223.35

Quarterly cost for \$97.55 monthly charge: $\$97.55/\text{month} \times 3 \text{ months} = \292.65

Quarterly cost for \$34.85 monthly charge: $\$34.85/\text{month} \times 3 \text{ months} = \104.55

Dependent coverage for the employee's spouse may continue to spouse's age 65 and the employee will be billed for a year's premium for the dependent cost. When the spouse reaches age 65, coverage is no longer available and may not be continued. Dependent children are eligible to be covered to age 21 (or age 25 if enrolled as a full-time student at an accredited school).

A retiree who drops all life insurance coverage may not re-enroll.

If an employee retires at or after age 65 (or retires before age 65 and continues life insurance coverage after retirement by paying the premium costs to age 65), coverage for the base amount will continue at no cost beyond age 65, though at reduced dollar amounts:

Age	Percentage of Former Basic Coverage	Amount of Coverage, \$55,000 Example
65	75%	\$41,250
66	50%	\$27,500
67 onward	25%	\$13,750

For additional information or questions, please call City Human Resources at (608) 266-4615 or email benefits@cityofmadison.com.