

Life & Disability Benefits Life Insurance Overview



Supplemental Life (See Rate Chart Below)

Employee Non-medical Maximum	1x, 2x, 3x, 4x or 5x salary up to a maximum of \$500,000 3x Annual Earnings or \$200,000.
Spousal Non-medical Maximum	\$10,000, \$25,000, \$50,000, \$100,000 \$50,000
Child	Live birth to 14 days: \$1,000 14 days to 6 months: \$1,000 6 months to age 26: \$5,000 or \$10,000

Supplemental Life Rates

Age Band	Employee per \$1,000	Spouse per \$1,000	Child per \$1,000
- 24	\$.052	\$.052	\$5,000 = \$.018
25-29	\$.052	\$.052	\$10,000 = \$.036
30-34	\$.068	\$.068	NOTE: The premium paid for child coverage is based on the cost of coverage for one child, regardless of how many children you have.
35-39	\$.081	\$.081	
40-44	\$.099	\$.099	
45-49	\$.153	\$.153	
50-54	\$.270	\$.270	
55-59	\$.450	\$.450	
60-64	\$.612	\$.612	
65-69	\$1.188	\$1.188	
70-74	\$2.277	\$2.277	
75+	\$4.086	\$4.086	

NOTE: Your rate will increase as you age and move to the next age band on the plan anniversary date (January 1).

UNUM GROUP TERM AND SUPPLEMENTAL LIFE INSURANCE

Group Life:

The University will provide the following level of life insurance coverage at no cost to employees:

- Employees whose base salary is less than \$50,000 will receive:
 - 4x annual salary (rounded to the nearest \$1,000) to a maximum of \$500,000
- Employees whose base salary is \$50,000 or more will receive:
 - 3x annual salary (rounded to the nearest \$1,000) to a maximum of \$500,000

Accidental Death & Dismemberment Insurance

The Group Life Insurance plan also provides faculty staff members with Accidental Death & Dismemberment Insurance. The Principal Amount of the Accidental Death & Dismemberment benefit is equal to the amount of the individual's life insurance, except that in no event will the amount of Accident Death & Dismemberment benefits exceed \$500,000.

Accelerated Death Benefit

SVSU participates in the carrier's accelerated death benefit program, which offers an insured person who is diagnosed with a medical condition that results in a life expectancy of 12 months or less to take up to 100% of the policy's available proceeds to deal with the sudden, unexpected financial burden that a terminal illness can create.

IMPUTED INCOME TAX

The IRS places a value on insurance coverage in excess of \$50,000 that is provided through pre-tax group term life insurance programs (including ours). This value, known as "imputed income," is based on your age and the level of coverage you are receiving.

The IRS determines the value of your coverage using "uniform premium levels." These uniform premium levels are the standard value they assume group insurance coverage is worth, regardless of the actual cost. The chart below shows these uniform premium rates.

The value of your group term life insurance in excess of \$50,000 is added to your gross salary as imputed income for federal tax purposes. SVSU is required to withhold federal income tax and FICA from your pay each month based on the amount of imputed income you have been assessed.

To reduce your tax liability due to imputed income, you can limit your amount of life insurance to \$50,000, the amount not taxed by the IRS. Keep in mind, however, that once you elect this option, a request to return to the full insurance benefit will require evidence of insurability.

IRS Uniform Premium Rates	
Age (As of December 31)	IRS monthly value per \$1,000 of group term life insurance coverage
Under 25	\$0.05
25-29	\$0.06
30-34	\$0.08
35-39	\$0.09
40-44	\$0.10
45-49	\$0.15
50-54	\$0.23
55-59	\$0.43
60-64	\$0.66
65-69	\$1.27
70 & above	\$2.06