

**GROUP TERM LIFE INSURANCE
THE HARTFORD**

I. BASIC & OPTIONAL GROUP LIFE INSURANCE PLAN - (RATES ARE LISTED BELOW)

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

- Employees whose base annual salary is \$49,000 or less will receive coverage equal to four (4) times base annual salary (rounded up to the nearest \$1,000)
- Employees whose base annual salary is more than \$50,000 will receive coverage equal to three (3) times base annual salary (rounded up to the nearest \$1,000)
- Supplemental employee life insurance is available at group rates through payroll deduction at the faculty member's expense. Faculty may "buy up" to a total of five (5) times their base annual salary in coverage for a total amount of coverage (combining basic and optional insurance) not to exceed five (5) times base annual salary and a maximum amount of \$500,000.00.

IMPUTED 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.

Imputed Tax Table 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

SUPPLEMENTAL LIFE INSURANCE

During the Open Enrollment period you may elect or elect to increase your supplemental life insurance. However, the life insurance carrier requires verification of good health before approving the additional coverage. Employees must be actively at work on the plan effective date for coverage to be effective.

Employee/Spouse Coverage (Increments = \$10,000, \$25,000, \$50,000 and \$100,000)

Supplemental Life Monthly Rates (per \$1,000 of coverage)	
Your Age	2011 Rates
Under age 25	.058
25-29	.058
30-34	.076
35-39	.09
40-44	.11
45-49	.17
50-54	.30
55-59	.50
60-64	.68
65-69	1.32
70-74	2.53
75 and over	4.54



Example: A 42-year old employee with \$30,000 of supplemental life insurance coverage will pay \$3.30 per month (30 x \$.110).

Dependent Coverage

You may also purchase life insurance coverage for your eligible (unmarried) dependents from birth to the end of the calendar year in which the child turns 26 years of age. You may elect from two levels of dependent life insurance.

	Amount of Coverage	Cost Per Month
Option I	\$ 5,000	.18
Option II	\$10,000	.36

GROUP TERM LIFE INSURANCE

 FINANCIAL PROTECTION FROM THE HARTFORD	
	Basic and Supplemental Life Insurance Benefit Highlights
What is Basic and Supplemental Life insurance?	<p>Your employer provides Basic Life Insurance at no cost to you. Your Supplemental Life Insurance is coverage that you pay for, in addition to any Basic Life Insurance that your employer may provide to you. Your Basic and Supplemental Life Insurance benefit is subject to a maximum of \$500,000. Life Insurance pays your <i>beneficiary</i> (please see below) a benefit if you die while you are covered.</p> <p>This highlight sheet is an overview of your Basic and Supplemental Life Insurance. Once a group policy is issued to your employer, a certificate of insurance will be available to explain your coverage in detail.</p>
Am I eligible?	You are eligible if you are an active employee who meets the full-time and if applicable, part-time requirements as determined by SVSU.
When can I enroll?	Enrollment in Supplemental Life Insurance is at date of hire or annual enrollment. As an eligible employee, you are automatically covered by Basic Life Insurance; you do not have to enroll. If you have not already done so, you must designate a beneficiary as described below.
When is it effective	Coverage goes into effect subject to the terms and conditions of the policy.
I already have Supplemental Life Insurance coverage; do I have to do anything?	If you are not changing the amount of your coverage, you do not have to do anything. If you want to enroll in Supplemental Life Insurance for the first time or increase your coverage (for yourself and your dependents or add coverage for dependents), you may need to provide evidence of insurability and be approved by The Hartford to receive coverage. You may need to complete a <i>Personal Health Application</i> . These are available from The Hartford or your employer.
What is a beneficiary?	Your beneficiary is the person (or persons) or legal entity (entities) who receives a benefit payment if you die while you are covered by the policy. You must select your beneficiary when you complete your enrollment application; your selection is legally binding.
Are any resources available for beneficiaries?	Beneficiary Assist® provides grief, legal and financial counseling to beneficiaries. The Hartford* offers this program <i>at no cost</i> to beneficiaries of any of its group life or accident policies. Services include: unlimited phone contact, assessment and action planning, up to five face-to-face sessions, referrals and more. You will receive more details about Beneficiary Assist® once your enrollment for Supplemental Life Insurance is approved.
Are there other limitations to enrollment?	If you do not enroll for contributory coverage within 31 days of your first day of eligibility, you will be considered a “late entrant.” Typically, late entrants must need to show evidence of insurability and may be responsible for the cost of physical exams or other associated costs if they are required.

<p>Supplemental Life Insurance coverage for your dependents</p>	<p>You may choose to purchase Supplemental Life Insurance coverage for your spouse in the amount of \$10,000, \$25,000, \$50,000 or \$100,000.</p> <p>Your spouse may have a guaranteed coverage amount of \$25,000. Your spouse must provide evidence of insurability and be approved by The Hartford to receive coverage if they are a late entrant or you request coverage above the guaranteed amount. You may need to complete a <i>Personal Health Application</i> for your spouse. These are available from The Hartford or your employer.</p>
<p>Supplemental Life Insurance coverage for your dependents (continued)</p>	<p>You may choose to purchase guaranteed Supplemental Life Insurance coverage for each child in the amount of \$5,000 or \$10,000— <i>no medical information is required</i>. You may not elect coverage for your child if your child is an active member of the armed forces of any country or international authority</p> <ul style="list-style-type: none"> • Children must be unmarried and less than 27 years if they are a full-time student or meet certain other conditions • Children over age 19 are covered if they are disabled, unmarried or financially dependent. • Coverage is limited to \$1,000 from live birth to age 6 months.
<p>Can I keep my Supplemental Life Insurance coverage if I leave my employer?</p>	<p>Yes, subject to the contract, you have the option of:</p> <ul style="list-style-type: none"> • Continuing your group Basic and Supplemental Life Insurance coverage if you leave your employer and go to another company (for yourself and your dependents). <p>AND/OR</p> <ul style="list-style-type: none"> • Converting your (and your dependents’) group Basic and Supplemental Life Insurance to your (and your dependents’) own individual policy (policies).
<p>What is the Living Benefits Option?</p>	<p>If you are diagnosed as terminally ill with a 12 month life expectancy, you may be eligible to receive payment of a portion of your Life Insurance. The remaining amount of your Life Insurance would be paid to your beneficiary when you die.</p>
<p>Do I still pay my Supplemental Life Insurance premiums if I become disabled?</p>	<p>If you become totally disabled before age 60 and your disability lasts for at least 6 months, your Supplemental Life Insurance premium may be waived.</p>