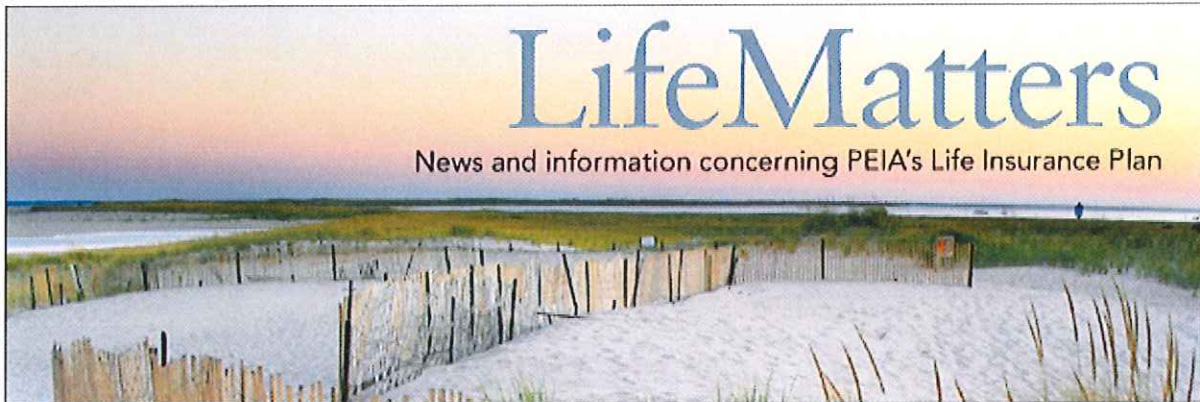


Peggy Carmichael

From: Peggy Carmichael
Sent: Friday, January 29, 2010 9:43 AM
To: Peggy Carmichael
Subject: Minnesota Life 01-2010 PEIA Newsletter



Retiring employees may feel the need for life insurance is unnecessary. However, Americans age 60 and older are among the fastest growing market for life insurance purchases (www.lifehappens.org). Retirees may not realize that their death could reduce the Social Security benefits their spouse had been counting on (www.lifehappens.org). Having a life insurance policy could relieve the burden on the deceased's spouse or family by helping to pay funeral and other expenses. Understanding the specifics of the retiree life insurance plan can help you advise employees who are about to retire on the benefits of continuing their life insurance.

PEIA LIFE INSURANCE FOR RETIRED EMPLOYEES

- Can an employee continue their life insurance when they retire?

Yes.

- What does an employee need to do to continue their basic and optional life insurance when they retire?

Basic Life Insurance: Employees will need to complete the "**Retirement Health Benefits and Basic Life Insurance Enrollment Form**". Evidence of insurability is not required for basic retiree coverage if it is elected within the enrollment period and the employee was covered for basic life insurance immediately prior to their retirement.

Optional Life Insurance: If employees wish to continue or add optional coverage into retirement, they need to complete the "**Optional Life Insurance Enrollment Form for Retirees**". Evidence of insurability is not required for elections equal to or less than the amount of optional insurance the retiree had in force as an active employee under the plan immediately prior to his or her retirement date. If applying for more than their current coverage, an evidence of insurability form will be required.

Can an employee add the life insurance benefit at the time they retire?

Yes. If they are applying for Life Insurance only, the evidence of insurability form will need to be completed. If the employee is picking up health insurance for the first time, the basic life insurance is guaranteed issue and only the optional life insurance would require the evidence of insurability

form.

- When can a retiree obtain life insurance?

A retiree can **only** obtain life insurance during their enrollment period. The retiree enrollment period is the month of retirement, or within the two calendar months immediately following the employee's date of retirement or the date the employee is approved for disability retirement.

The single exception to this rule is if a retiree picks up health coverage at any point in retirement. When a retiree picks up health insurance, they are eligible to elect **basic** life insurance at that time. No evidence of insurability form will be required.

- Can a retiree obtain dependent coverage?

Yes. An employee can elect dependent coverage at the time they retire. The retiree will need to complete the "**Optional Life Insurance Enrollment Form for Retirees**". There are four plan options for dependent/spouse coverage. A retiree can **only** elect this coverage during their enrollment period, as outlined above. There are no exceptions.

Please note: it is important to emphasize to the employee that they cannot increase their coverage or add dependent coverage outside of their enrollment period.

- What is the maximum amount of coverage a retiree can elect?

\$150,000 is the maximum amount of coverage for a retiree.

What are the differences between active and retiree coverage?

	RETIREE COVERAGE	ACTIVE COVERAGE
Basic Life Insurance amount	\$5,000 Under age 67 \$2,500 Age 67 and Over	\$10,000 Under age 65 \$6,500 Age 65-69 \$4,500 Age 70 or over
Optional Life Insurance plans	10 Plans: Ranging from \$5,000 to \$150,000	18 Plans: Ranging from \$5,000 to \$500,000
AD&D benefit	Terminates the first day of the month following the employee's date of retirement	Available for employees and their dependents (with exclusions)
Waiver of Premium benefit	No	Yes
Who pays premium?	All premiums are paid by the retiree	Basic - Employer Paid Optional - Employee Paid

Active and Retiree Basic and Optional coverage's are **decreasing Term Life Insurance**. This means the premiums increase and the coverage amounts decrease as the employee ages. *Please note, once a retiree reaches age 70 premium and coverage amounts will no longer change based on age. There is **no cash value** to this plan. Please refer to the Retired Employee Flyer for a schedule of coverage decreases.*