Life Insurance

Basic Life/AD&D

Life Insurance
The State offers several group term life insurance options through Minnesota Life Insurance Company. All eligible employees are automatically enrolled in the Basic Life insurance plan and are also eligible to voluntarily enroll in the Optional Life insurance plan for themselves and their eligible dependents. All life insurance includes a matching amount of Accidental Death & and Dismemberment (AD&D) coverage.

When you are covered by Minnesota Life Insurance (Basic Life or Optional Life) you have access to Life Suite Services which include:

- Legal, Financial and Grief Resources
- Travel Assistance Resources
- Legacy Planning Resources

Basic Life Insurance (Employer Provided)
For the FY 2016-17 plan year your Basic Life insurance benefit will be equal to one times your annual base regular pay, rounded to the next higher $1,000 if not already a multiple thereof, with a minimum benefit of $50,000 and a maximum benefit of $150,000. For the FY 2016-17 plan year (if your date of hire is on or before June 30, 2016) your annual base regular pay amount will be your pay as of July 1, 2016. If your date of hire is during the FY 2016-17 plan year on or after July 1, 2016, your annual base pay will be your pay as of your date of hire.

You are automatically enrolled in the Basic Life plan. The State pays 100% of your Basic Life insurance premium.

Be sure to designate a beneficiary for your life insurance. Your beneficiary designations must be made through the State’s online benefits administration system, www.benefitsolver.com.

Optional Life/AD&D

Optional Life Insurance for Employee, Spouse and Children (Employee paid)
In addition to your Basic Life insurance, you may elect to enroll for additional life insurance for yourself, your spouse and your eligible child(ren) through Minnesota Life.

You can buy optional life insurance at a minimum of $10,000 and up to a maximum of $500,000 in increments of $10,000 for yourself. You can purchase optional life insurance at anytime.

- When you enroll in optional life insurance for yourself, you can elect optional life coverage for your spouse (including common-law spouse), civil union partner, and same-gender domestic partner in increments of $10,000 up to a maximum of $250,000, but not to exceed 50% of the employee’s optional life coverage.

- When you enroll in optional life insurance for yourself, you may also elect optional life coverage for your eligible child(ren) in the amounts of $5,000 or $10,000.

Enrollment and providing Evidence of Insurability (EOI) is completed through the State’s online benefits administration system, www.benefitsolver.com and must be completed when any you or your spouse is applying for new coverage or increasing coverage during open enrollment.
Optional Life Insurance Rates

**FY 2016-17 Plan Year**

FY 2016-17 Life Insurance Insurance Premiums
Premium Deductions listed below are taken directly from your paycheck.

<table>
<thead>
<tr>
<th>FY 2016-17 Monthly Premium Cost per $10,000 of coverage (based on employee or spouse age as of the end of each calendar year)</th>
<th>Employee</th>
<th>Spouse</th>
<th>Child(ren)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under age 30</td>
<td>$0.60</td>
<td>Under age 30</td>
<td>$0.80</td>
</tr>
<tr>
<td>Age 30-34</td>
<td>$0.80</td>
<td>Age 30-34</td>
<td>$1.00</td>
</tr>
<tr>
<td>Age 35-39</td>
<td>$0.80</td>
<td>Age 35-39</td>
<td>$1.20</td>
</tr>
<tr>
<td>Age 40-44</td>
<td>$1.00</td>
<td>Age 40-44</td>
<td>$1.20</td>
</tr>
<tr>
<td>Age 45-49</td>
<td>$1.00</td>
<td>Age 45-49</td>
<td>$1.80</td>
</tr>
<tr>
<td>Age 50-54</td>
<td>$1.60</td>
<td>Age 50-54</td>
<td>$2.60</td>
</tr>
<tr>
<td>Age 55-59</td>
<td>$2.80</td>
<td>Age 55-59</td>
<td>$4.60</td>
</tr>
<tr>
<td>Age 60-64</td>
<td>$4.60</td>
<td>Age 60-64</td>
<td>$6.80</td>
</tr>
<tr>
<td>Age 65-69</td>
<td>$9.20</td>
<td>Age 65-69</td>
<td>$13.40</td>
</tr>
<tr>
<td>Age 70 and Over</td>
<td>$13.80</td>
<td>Age 70 and Over</td>
<td>$21.20</td>
</tr>
</tbody>
</table>

| Minimum amount of Coverage | $10,000 | $10,000 | $5,000 |
| Maximum amount of Coverage | $500,000 | $250,000 Spouse coverage may not exceed 50% of the Employee’s coverage | $10,000 Child coverage may not exceed 50% of the Employee’s coverage |
| Purchase Units | Employee coverage must be purchased in units of $10,000 | Spouse coverage must be purchased in units of $10,000 | Child coverage must be purchased in units of $5,000 |

**Imputed Income on Life Insurance**

According to the Internal Revenue Code (IRC) regulations (IRC Section 79), group term life insurance coverage in excess of $50,000 may be subject to federal taxes based on a graduated rate table provided by the IRC. The amount of life insurance in excess of $50,000 is multiplied by a premium rate based on an employee’s age as of the end of each calendar year, which results in a monthly amount of imputed income. This imputed income, reduced by the amount of premium the employee paid toward the insurance, is taxable as a benefit and is, therefore, added to the employee’s applicable wage base.
Why life insurance matters...
NO MATTER WHERE YOU ARE IN LIFE.

You may need life insurance if you are:

**Single and in your 20s**
You may need life insurance to pay off student loans, car payments, credit cards, other debts or to give to your favorite charity. Hard as it is to imagine, if you die, your family also needs cash on hand to cover your final expenses.

**Married with young children**
You most likely have modest savings and big responsibilities – a mortgage, child care and other monthly bills. If you die prematurely, life insurance will help your spouse maintain your home, current lifestyle and provide for your children’s support, now as well as in the future.

**Single parent and sole breadwinner**
Life insurance will help cover your children’s day care costs and other living expenses and fulfill plans for their future education if you are no longer there to provide for them.

**Married homeowners with no children**
Life insurance can provide the money to meet financial obligations and help your spouse hold onto the assets and the lifestyle you’ve both worked hard to achieve.

**Married with college-age children and/or elderly parents**
Premature death could deplete your retirement savings or other assets. Life insurance can help replace lost income to cover the cost of current living expenses, college tuition and/or your parents’ care.

**Married with grown children**
You may have less need to carry life insurance to cover current expenses as when your loved ones were relying on your income. Instead, you may want to consider life insurance as an opportunity for supporting your favorite charities, building a legacy for your children and grandchildren or covering estate taxes.

---

**HOW MUCH LIFE INSURANCE DO I NEED?**

Everyone’s situation is unique. Visit our online insurance needs calculator at LifeBenefits.com/insuranceneeds to help estimate an appropriate amount of insurance.