
GROUP LIFE INSURANCE FREQUENTLY ASKED QUESTIONS FOR EMPLOYEES

The following are frequently asked questions regarding the Maine Public Employees Retirement System Group Life Insurance program. Inquiries regarding this program may be directed to the MainePERS Survivor Services Unit (207) 512-3100, toll-free 1-800-451-9800 or TTY at (207) 512-3102. For questions regarding your termination date or retirement date, please contact the MainePERS State, Teacher or PLD Unit directly.

Q: How do I enroll in the MainePERS Group Life Insurance program?

A: The MainePERS Group Life Insurance program is available to State, teacher and those PLD employees whose employers have elected to participate in the program, and whose positions are eligible for coverage. If you complete an application for group life coverage within the first 31 days of becoming eligible, you may select coverage for yourself and your dependents without having to show evidence of insurability.

Q: What kinds of Group Life coverage are available?

A: You may choose basic and supplemental coverage on yourself and dependent coverage for your eligible dependents. Basic coverage is equal to your annual gross compensation rounded up to the next one thousand dollars. Supplemental coverage is available at one, two or three times your basic coverage. Basic insurance also includes Accidental Death and Dismemberment coverage. Dependent coverage allows you to choose up to \$10,000 of coverage on your spouse and up to \$5,000 on each child depending on their age and marital status.

Q: How much does Group Life coverage cost?

A: The cost of coverage varies with employers. In some cases employers will pay for basic coverage while you pay for supplemental and dependent coverage. In other cases, you are responsible for all or part of your basic coverage plus any supplemental or dependent coverage you choose. For the cost of your coverage, please check with your employer's payroll personnel

Q: Can I change my Group Life Insurance beneficiary?

A: You may change your life insurance beneficiary at any time and as often as you wish. Change of Beneficiary forms may be obtained from your payroll personnel, from the Forms section of this Web site, or from the MainePERS Survivor Services Unit. In order for a change of beneficiary form to be valid, it must be received at MainePERS or postmarked prior to your date of death.

Q: What happens if I do not name a beneficiary?

A: If you die without naming a beneficiary, or filing your designation, payment will be made in accordance with MainePERS law which provides a list of mandated beneficiaries in order of priority. The proceeds will pass first to your spouse. If you have no spouse or your spouse is also deceased, payment will be made to your child or children or to their descendants. If there is no child or descendants of a child, payment will be made to your parent(s). Lastly, payment would be made to the duly appointed executor or conservator of your estate or if you have none, to your next of kin.

Q: What happens to my Group Life Insurance if I terminate my employment?

A: If you are terminating employment for purposes other than retirement, you will be offered the opportunity to convert your coverage to a whole life policy with MainePERS' insurance carrier without proof of insurability. Conversion is available to you for 31 days after your termination, after which your coverage ceases if conversion has not occurred.

Q: What happens to my Group Life Insurance if I go on a leave of absence?

A: If you are on an approved leave of absence or seasonal layoff, you may continue to have coverage by continuing to pay your premiums. Talk with your payroll personnel to find out what steps you need to take to continue your payments. Failure to keep your premiums current will automatically result in the cancellation of your life insurance coverage.

Q: Is there a cash value to my Group Life Insurance?

A: No. The group life insurance coverage offered by the MainePERS is term life insurance which has no cash surrender value.

Q: What happens to my Group Life Insurance if I retire?

A: If you have group life insurance coverage just prior to retiring and have participated in the Group Life Insurance program for 10 years, you may take your basic coverage into retirement at no cost to you. To take advantage of this coverage in retirement, you must submit your Application for Retirement no later than 31 days after your termination from employment and you must have a retirement date within the same period of time.

Q: What happens to my Group Life Insurance if I receive disability benefits?

A: Your basic coverage can be taken into disability retirement. Any supplemental insurance you may have continues to be available only by conversion with our insurance carrier.

Q: Does my level of insurance coverage remain the same after I retire?

For State, Teacher, PLD, and Legislative members:

A: Your level of coverage will start at an amount equal to your average final compensation (AFC) at retirement and will reduce 15% per year on the anniversary of your retirement until it reaches 40% of the original value or \$2500, whichever is greater.

EXAMPLE: Three highest years Average (AFC) of \$28,000, Retirement Date of 7/1/99.

COVERAGE AMOUNTS:

<u>FROM:</u>	<u>THROUGH:</u>	<u>AMOUNT:</u>
7/1/1999	6/30/2000	\$28,000 (full coverage)
7/1/2000	6/30/2001	\$23,800 (85% of \$28,000)
7/1/2001	6/30/2002	\$19,600 (70% of \$28,000)
7/1/2002	6/30/2003	\$15,400 (55% of \$28,000)
7/1/2003	thereafter	\$11,200 (40% of \$28,000)

For Judges:

A: The initial amount of coverage (AFC) continues until the retired judge reaches 70 years of age. There is a one time reduction to 25% of the initial amount.