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THINKING OF YOUR FUTURE PRE-RETIREMENT PLANNING

You can retain your BASIC group life insurance coverage after your service retirement at no cost to you if you are insured at point of retirement and have participated in the BASIC life insurance program for at least 10 years. Your participation need not have been continuous. Although BASIC coverage can continue into your retirement, your accidental death and dismemberment insurance ceases upon retirement.

If you qualify for the continued BASIC life insurance benefit at point of retirement you will, for the first year, receive an amount of coverage based on your Average Final Compensation. For the next four years, the BASIC average amount will be reduced by 15% each year, to a low of 40% of full coverage. It will remain at that level for the rest of your life.

SAMPLE

CONTINUED BASIC GROUP LIFE INSURANCE BENEFIT SCHEDULE

3-YEAR AVERAGE OF \$28,000

<u>FROM</u>	<u>THROUGH</u>	<u>AMOUNT</u>
07/01/2005	06/30/2006	\$28,000 (full coverage)
07/01/2006	06/30/2007	\$23,800 (85% of 28,000)
07/01/2007	06/30/2008	\$19,600 (70% of 28,000)
07/01/2008	06/30/2009	\$15,400 (55% of 28,000)
07/01/2009	And thereafter	\$11,200 (40% of 28,000)

Prior to the receipt of your first monthly retirement benefit payment (pension check), you will receive a "Notice of Retirement" form. This form will reflect the actual dollar amount of your monthly retirement allowance payment, your retirement contributions to the Maine Public Employees Retirement System (for tax purposes) and your CONTINUED BASIC LIFE INSURANCE BENEFIT. ***This will be the only form that you will receive that specifically defines your continued life insurance benefit and it is important that this form be kept in a safe place for future reference by your survivors and beneficiaries.***

LIFE INSURANCE BENEFICIARY

At this time you will want to review your life insurance designation of beneficiary nomination to be certain that the proceeds of your life insurance will be distributed according to your wishes. You may designate a new beneficiary at any time by contacting the Survivor Services Unit at the number listed above and requesting a "Change of Beneficiary" form.

CONVERSION

If you are eligible for no cost BASIC group life insurance as a retiree, you may convert any portion of supplemental and/or dependent coverage that you are carrying at point of retirement. If you have less than 10 years of coverage at point of retirement you are eligible to convert the BASIC portion of your life insurance, as well as any portion of whatever supplemental and/or dependent coverage you are carrying at point of retirement. Converting your life insurance will be at your expense. You will not have to file Evidence of Insurability or pass a physical exam but you must submit an Application for Conversion and first premium payment to the insurance carrier within 90 days of terminating your employment to retire. For details contact Survivor Services Unit at the number above.