

Chapter 601: GROUP LIFE INSURANCE

SUMMARY: This Chapter sets forth the categories of employees eligible to participate in the Group Life Insurance Program administered by the Maine Public Employees Retirement System [“MainePERS”], and other regulations relating to the Program.

SECTION 1. DEFINITIONS

All terms used in this chapter, unless the context otherwise indicates, shall have the same definition as in 5 M.R.S.A. §17001 inclusive.

SECTION 2. TYPES OF COVERAGE

1. **Basic Insurance.** Basic insurance provides insurance coverage equivalent to the participant’s annual base compensation, rounded up to the next highest \$1,000.
2. **Supplemental Insurance.** Supplemental insurance provides an amount of coverage in multiples of one, two or three times the basic amount of insurance.
3. **Dependent Insurance.** Dependent insurance provides coverage for the participant’s dependents in the amounts set forth in 5 M.R.S.A. §§ 18056 (3)(A), and 18656(3)(A).
 - A. A person insured as an active or retired participant of the group life insurance program cannot be covered as a dependent.
 - B. A step-child cannot be covered as a dependent unless legally adopted by the insured.
 - C. In the event that both parents are participants, the children, if any may be insured as dependents of one parent only. Eligible dependents will be insured for life insurance on the latest of the following dates:
 1. On the effective date of the participant’s election of dependent insurance, or
 2. On the date an eligible dependent is first acquired.

SECTION 3. COVERAGE ELIGIBILITY**1. Classes of Employment Eligible for Insurance**

The following classes of employment are eligible for basic and supplemental life insurance coverage:

A. State Employees

Permanent, Full Time

Permanent, Part Time of at least 20 hours or 2 ½ normal working days per week

Seasonal, Full Time

Seasonal, Part Time of at least 20 hours or 2 ½ normal working days per week

Elected and Appointed Officials

Limited Period - Full Time for one year or more

Limited Period - Part Time for one year or more

Acting Capacity (with status)

B. Legislators**C. Judges and Justices****D. Participating Local District Employees**

Permanent, Full Time

Permanent, Part Time of at least 20 hours or 2 ½ normal working days per week

Seasonal, Full Time

Elected and Appointed Officials

Any local district that becomes a Participating Local District in accordance with the provisions of 20-A M.R.S.A. §1463, sub-§4 may establish criteria for the inclusion of employees from within the classes listed above, based on the nature and type of employment, in order to provide for the continuation of group life insurance coverage for transferred employees. No employee or class of employees may be excluded solely on the basis of the hazardous nature of employment; nor may the employer use this section to decrease coverage of current participants.

E. Teachers

Permanent, Full Time

Permanent, Part Time of at least 20 hours per week or 2 ½ normal working days per week

Any individual employed in one of the classes listed above and who meets the definition of “teacher” as provide by 5 M.R.S.A. §17001, sub-§42 is eligible for insurance coverage under this paragraph.

2. Other Eligibility Conditions

- A. In order for insurance coverage to become effective, an application for insurance coverage indicating the types of coverage elected must be completed within 31 days of becoming eligible for coverage.
- B. Evidence of insurability will be required if coverage is not elected when first eligible.
- C. Except as provided in paragraph D, an employee shall cease to be eligible to participate upon being placed on lay-off.

- D. Coverage will continue only if premiums are timely paid by the employee on a current basis as they become due and payable while an employee is on seasonal lay-off, or leave of absence without pay for:
1. military service;
 2. employer-approved professional study;
 3. Family Medical Leave;
 4. other, employer-approved unpaid leave;
 5. service in the Maine Legislature; or
 6. leave between legislative sessions in the case of legislative employees.
- D-1. Commencing January 1, 2020, premiums in the case of an employee on lay-off or a leave of absence without pay are due within 60 days after returning to paid status. If the employee dies before the end of the 60-day period, any premiums due shall be recovered from any benefit payments.
- E. An employee who has refused or is denied insurance coverage, who separates from employment and is subsequently re-employed is eligible as though this were initial employment and is not required to file evidence of insurability if the separation meets the requirements to permit the individual to obtain a refund of employee Maine Public Employees Retirement System retirement contributions. Layoff from seasonal employment to which the employee is expected to return shall not be considered as a separation and a reemployment.
- F. A retiree who returns to work in an eligible position is eligible for coverage.

SECTION 4. TERMINATION AND REINSTATEMENT OF COVERAGE

1. Coverage on any participant or dependent will cease at the end of the last period for which premiums for that participant or dependent are paid to the Maine Public Employees Retirement System, subject to a 31-day grace period.
2. Coverage for a participant who, during a period of unpaid military leave of absence, does not continue coverage as provided in Section 3, subsection 2, paragraph D, must be reinstated to the levels of coverage in effect immediately prior to the unpaid military leave. A request for reinstatement by the employee must be made within 31 days of the employee's return to work following unpaid military leave. An employee who wants to be reinstated and who does not apply for reinstatement within 31 days of the employee's return to work from unpaid military leave must produce evidence of insurability at the employee's own expense and in accordance with the requirements of the insurance underwriter.
3. Coverage of an unmarried dependent child having attained a maximum age as provided in 5 M.R.S.A. §§ 18056 (3)(A), and 18656(3)(A), shall be continued if:

- A. due proof is furnished prior to the 31st day after the applicable termination date, and each year thereafter, indicating that the unmarried, dependent child is permanently disabled as set forth in 5 M.R.S.A. §17001(12)(B); or
 - B. due proof is furnished prior to the 31st day after the applicable termination date, and each year thereafter, indicating that the unmarried dependent child is under 22 years of age and a full-time student.
 - C. Coverage for a disabled child shall continue while the Policy remains in force and the child's condition remains unchanged. "Substantially gainful employment" shall mean any work activity that is consistent with the individual's training, education and experience (including self-employment) and which, taking into consideration information about the state labor market, could be expected to generate an annual amount of gross earnings which equals or exceeds the state minimum hourly wage multiplied by 2080.
4. Whenever the Executive Director determines that an employee lacks coverage or has a lapse in coverage due to error on the part of the employer or MainePERS, coverage may be implemented or reinstated as follows:
- A. Participant, or employer in the case of employer-paid premiums, pays back premiums from the date of eligibility or the date of last payment to the present;
 - B. Participant files Evidence of Insurability with coverage effective on the first day of the month following one month of additional employment in an eligible position beyond the date approved by the insurer under contract with MainePERS.

In the event that the insurer denies coverage based on Evidence of Insurability, the participant may restore coverage under the provisions of paragraph A.

SECTION 5. COVERAGE UPON RETIREMENT

1. For members of a MainePERS retirement program terminating employment in order to draw a MainePERS service retirement benefit, for reasons other than disability, the member's basic life insurance only will continue into retirement at no cost to the member, providing the member has a minimum of ten (10) years of group life insurance coverage, the coverage is in force at the time of termination, and the member's completed Application for Retirement is received at MainePERS within 31 days of the member's termination date and the member's effective retirement date is within the same 31 day period.
2. For a participant of a Participating Local District who is not a member of a MainePERS Participating Local District retirement program and who terminates employment while receiving a retirement benefit under the *United States Social Security Act* or who begins to receive a benefit under the *United States Social Security Act* within 31 days of terminating their employment, the participant's basic life insurance may continue into retirement at no cost to the participant if the participant has a minimum of 10 years of coverage and has coverage on the date of termination. The level of coverage into retirement will be based on the average of the last three years of coverage.

3. For a participant of a Participating Local District who is not a member of a MainePERS Participating Local District retirement program and who is covered under another “qualified plan”, as that term is defined in the *Internal Revenue Code*, who is terminating employment for reasons other than to receive disability retirement, in order for the participant’s basic life insurance to continue into retirement at no cost to the participant, the participant must have attained age 60, or have 25 years of service under the qualified plan and have both a minimum of ten 10 years of Group Life Insurance coverage and coverage at the time of termination. The level of coverage into retirement will be based on the average of the last three years of coverage on the date of retirement.

SECTION 6. PAYMENT OF PREMIUMS AND CLAIMS

1. The MainePERS will establish premium amounts and manner of payment for participants.
 2. All claims arising during a period of time for which due premiums have not been paid shall be void.
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STATUTORY AUTHORITY:

5 MRS §§ 17103(4), 18051-18061, 18651-18663

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AMENDED:

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