



# **City of Eugene**

## **LIFE INSURANCE**

**Effective June 1, 2016**

# **LIFE INSURANCE**

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The City of Eugene Life Insurance Plan, through Standard Insurance Company, offers financial protection for your family. It provides you with two types of benefits: Basic Life Insurance and Accidental Death and Dismemberment (AD&D) Coverage.

## **Eligibility**

As a regular or Limited Duration employee scheduled to work at least 20 hours per week, you are eligible for the basic life insurance and AD&D insurance coverage. Eligibility for regular IATSE-represented and AFSCME-represented Recreation Activity Employees (RAE) employees is specified in the most recent labor agreement between the City of Eugene and the unions.

## **When Coverage Begins**

Your basic life insurance and AD&D coverage begins on the first of the month following your first day of continuous service. For IATSE-represented employees and AFSCME-represented Recreation Activity Employees, coverage begins on the first of the month following your eligibility date.

All employees must meet the Active Work Requirement before insurance will become effective.

## **Active Work Requirement**

If you are incapable of Active Work because of sickness, injury or pregnancy on the day before the scheduled effective date of your insurance, your insurance will not become effective until the day after you complete one full day of Active Work as an eligible employee.

Active Work means you are performing the material duties of your own occupation at your employer's usual place of business. The Active Work Requirement also applies to any increases in your insurance.

## **When Coverage Ends**

Your basic life insurance and AD&D coverage ends automatically on the earliest of the following dates:

- The date the Group Policy terminates;
- The last day of the calendar month in which your employment with the City terminates; and
- The last day of the calendar month in which you cease to be eligible for coverage under the Life Insurance Plan.

However, if you cease to be otherwise eligible for coverage under the Life Insurance Plan because you are no longer working the required minimum number of hours, then your Life Insurance will be continued with premium payment during the following periods, unless your insurance ends due to one of the other events described.

- While the City is paying you at least the same annual earnings paid to you immediately before you ceased to be eligible for coverage.
- While your ability to work is limited because of sickness, injury or pregnancy.
- During the first 60 days of:
  - A temporary layoff; or
  - A strike, lockout, or other general work stoppage caused by a labor dispute between your collective bargaining unit and the City.
- During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
- During any other leave of absence approved by the City in advance and in writing and scheduled to last through the last day of the calendar month in which the City ceases to pay you the full amount of your annual earnings.

Your AD&D coverage ends on the date your claim for continued life insurance is approved by Standard Insurance Company.

## **Enrollment**

To enroll in the plan, you must complete a form designating your beneficiary and return it to the Risk Services Benefits Program.

## **Designating Your Beneficiary**

In the event of your death while you are a covered employee, your designated beneficiary or beneficiaries will receive your insurance benefit. If you indicate more than one beneficiary, you may specify the percentage to be paid to each person at your death. You may also indicate a primary beneficiary and a contingent beneficiary. The contingent beneficiary will only receive benefits in the event that the primary beneficiary predeceases you.

If you do not name a beneficiary, or if you are not survived by a beneficiary, all death benefits will be paid in equal shares to the first surviving class of persons listed:

- Your spouse;
- Your children;
- Your parents;
- Your brothers and sisters; or
- Your estate.

## **Changing Your Beneficiary**

You can name, add, or change beneficiaries by completing and signing a **Change of Beneficiary** form available from the Risk Services Benefits Program. The change becomes effective when the change form has been received by the Benefits Program.

## **Payment of Benefit**

Payment of benefits will be made automatically into a personalized, interest-bearing checking account. A checkbook is issued and the beneficiary is free to use it as he or she would any other checking account. There are no maintenance or service fees, no per check charges and no redemption fees or withdrawal penalties.

## **Coverage at Age 70 and Beyond**

When you reach age 70, and are still eligible for Basic Life and AD&D as an active eligible employee, your benefit will be reduced to 65% of the amount to which you would otherwise be entitled, and to 45% of that amount at age 75.

## **Tax Considerations**

Current tax laws consider an employer's cost for life insurance coverage in excess of \$50,000 as taxable income to employees. If the amount of your basic life insurance results in taxable income to you, the taxable income will be reflected on your year-end W-2 form.

# BASIC LIFE INSURANCE COVERAGE

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## Amount of Basic Life Coverage

The amount of your basic life insurance is determined by your annual scheduled salary, except for regular IATSE-represented and AFSCME-represented Recreation Activity Employees (RAE) employees who have a fixed life insurance benefit. Your annual salary does not include bonuses, commissions, overtime pay, or employer contributions to PERS/OPSRP or deferred compensation. Basic life insurance coverage by employee group is outlined in the table below.

## Life Insurance Benefits by Employee Group

GROUP	AMOUNT	MAXIMUM BENEFIT
AFSCME Regular and Limited Duration Employees	One times your annual salary rounded to the nearest \$1,000 (Minimum of \$25,000)	\$250,000
AFSCME RAE Employees	\$25,000	\$25,000
EPEA	Two times your annual salary rounded to the nearest \$1,000	\$160,000
Non-Represented	One times your annual salary rounded to the nearest \$1,000 (Minimum of \$25,000)	\$250,000
IAFF	One times your annual salary including EMT Certification rounded to the nearest \$1,000	\$200,000
IAFF-BC	One times your annual salary including EMT Certification rounded to the nearest \$1,000	\$200,000
IATSE	\$25,000	\$25,000

## Coverage at Disability

You are considered totally disabled if you are unable, due to illness, or accidental injury or pregnancy, to perform the material duties of any occupation for which you are reasonably fitted through your education, training, or experience. Medical certification of disability by Standard Insurance Company is required.

The amount of your continued life insurance will be the benefit that is in effect on the date you become totally disabled. Your life insurance benefits will be subject to age reductions, if applicable, and will be reduced by any Accelerated Benefit you receive.

If you become totally disabled while covered under this life insurance plan and are under age 60, your life insurance will be continued until the earliest of the following dates:

- The date you cease to be Totally Disabled;
- 90 days after the date Standard Insurance Company mails you a request for additional Proof of Loss, if it is not provided;
- The date you fail to attend an examination or cooperate with the examiner;
- The date you reach age 65;
- The date your insurance is converted to an individual life insurance policy; and
- The date the Group Policy terminates.

If you become totally disabled on or after age 60, the length of your coverage will be determined by the terms of the life insurance policy.

## **Converting Your Coverage**

You may be eligible to convert your basic life insurance coverage to an individual policy if your coverage ends because:

- You are no longer actively at work;
- Your employment with the City of Eugene terminates;
- Your continued life insurance during total disability ends;
- You are no longer a regular employee; or
- The amount of your basic life insurance is reduced.

You must apply for your conversion policy and start paying premiums within 31 days after your basic life insurance stops. You will not have to provide proof of good health. Standard Insurance Company or the Risk Services Benefits Program can provide you with the necessary conversion form.

## **Amount of Conversion Coverage**

If your life insurance ends because you are no longer actively at work or your employment with the City of Eugene terminates, you may convert up to the amount of your basic life insurance benefit.

If you die during the conversion period, Standard Insurance Company will pay a death benefit equal to the maximum amount of life insurance you had a right to convert, whether or not you applied for an individual policy.

## **Accelerated Benefits**

The City of Eugene's life insurance through Standard Insurance Company includes an Accelerated Benefit enhancement. This benefit will allow you to receive up to 75% of your Life Insurance benefit early under certain conditions.

To qualify for this benefit, you must:

- Be diagnosed as being terminally ill with a life expectancy of less than 12 months;
- Apply and qualify for Continued Life Insurance; and
- Have at least \$10,000 of life insurance in effect.

If your application for Accelerated Benefits is approved by Standard Insurance Company, you are allowed to receive up to 75% of your available Life Insurance benefit. The minimum Accelerated Benefit is \$5,000 or 10% of your Life Insurance, whichever is greater. These funds could be used in defraying the cost of special medical treatment, family needs, etc.

Your Group Life Insurance Certificate contains all of the terms and conditions of the Accelerated Benefit. If you have any questions on this benefit, please contact the Risk Services Benefits Program.

## **Special Coverage for Police Officers and Fire Fighters**

### ***State of Oregon Mandated Life Insurance Coverage (ORS 243.005)***

**All police officers and fire fighters** receive \$10,000 life insurance coverage mandated by Oregon law (ORS 243.005). The \$10,000 statutory coverage is included as part of the total life insurance benefit available to police and fire fighters while they are actively employed. **Volunteer police, reserve officers, civil deputies, and clerical personnel are not eligible to receive this coverage.** The \$10,000 statutory life insurance is not convertible.

Benefits will be paid only if:

- Death results from an injury sustained during working hours as a police officer or firefighter; or
- Death occurs within 365 days after the date of the injury.

### ***State of Oregon Public Safety Memorial Fund (ORS 243.950)***

The Public Safety Memorial Fund provides benefits to family members of Oregon's public safety officers who are killed or permanently disabled in the line of duty. Police officers (including reserve officers) and fire service professionals are considered public safety officers under the statute. The statute defines "family member" as: spouse; child; and, a person who qualifies as a dependent for state income tax purposes.

Benefits include a death benefit of \$25,000 to an eligible beneficiary of a public safety officer, as well as health and dental insurance benefits. Other benefits such as educational scholarships and mortgage payments may also be available. (This benefit is not underwritten by Standard Insurance Company.)

### ***Federal Public Safety Officers' Benefits Program***

The Federal Public Safety Officer's Benefits (PSOB) Act provides death benefits to eligible survivors of a public safety officer whose death is the direct and proximate result of a traumatic injury sustained in the line of duty. As of October 1, 2015 the benefit amount is \$339,881. (Each October 1st, the benefit is adjusted by the percentage of change in the Consumer Price Index.)

The PSOB also provides the same benefit to a public safety officer who has been permanently and totally disabled as the direct result of a catastrophic personal injury sustained in the line of duty. To qualify, the injury must permanently prevent the officer from performing any gainful work. (This benefit is not underwritten by Standard Insurance Company.)

More information is available on the Bureau of Justice Assistance website at:  
[http://www.ojp.usdoj.gov/BJA/grant/psob/psob\\_main.html](http://www.ojp.usdoj.gov/BJA/grant/psob/psob_main.html).

# ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

## Amount of Coverage

Depending on the type of loss you suffer, the amount of your Accidental Death and Dismemberment (AD&D) benefit is either the equal to the Full Amount, or one-half the Full Amount. The loss must occur within 365 days after the date of the accident, be caused solely and directly by the accident, and occur independently of all other causes. The tables below list the maximums by employee group and the amount of AD&D coverage.

## Accidental Death & Dismemberment Benefits by Employee Group

GROUP	AMOUNT	MAXIMUM BENEFIT
AFSCME Regular and Limited Duration Employees	One times your annual salary rounded to the nearest \$1,000 (Minimum of \$25,000)	\$250,000
AFSCME RAE Employees	\$25,000	\$25,000
EPEA	Two times your annual salary rounded to the nearest \$1,000	\$120,000
Non-Represented	One times your annual salary rounded to the nearest \$1,000 (Minimum of \$25,000)	\$250,000
IAFF	One times your annual salary including EMT Certification rounded to the nearest \$1,000	\$200,000
IAFF-BC	One times your annual salary including EMT Certification rounded to the nearest \$1,000	\$200,000
IATSE	\$25,000	\$25,000

## Amount of AD&D Coverage

TYPE OF LOSS	BENEFIT COVERAGE AMOUNT
Life	Full Amount
Both Hands	Full Amount
Both Feet	Full Amount
Sight of Both Eyes	Full Amount
1 Hand; 1 Foot	Full Amount
1 Hand; Sight of 1 Eye	Full Amount
1 Foot; Sight of 1 Eye	Full Amount
1 Hand	½ Full Amount
1 Foot	½ Full Amount
Sight of 1 Eye	½ Full Amount

Loss of hands and feet means permanent severance at or above the wrist or ankle. Loss of sight means total and permanent blindness. The maximum amount of AD&D benefit which Standard Insurance Company will cover for all losses will not exceed the Full Amount.

## Who Receives AD&D Benefits

You receive AD&D benefits if you are seriously injured in an accident and have a loss, as described above. Your beneficiary will receive AD&D benefits if you die in an accident.

## Seat Belt Benefit

The Seat Belt benefit matches the accidental death benefit up to a maximum of \$50,000. This benefit is payable for death resulting from an automobile accident while you were wearing a seat belt. A copy of the police report must show that an approved seat belt (per National Highway Traffic Safety Council) was in use at the time of the accident.

## **What is not Covered**

AD&D will not cover losses caused or contributed to by any of the following:

- Insurrection, war or act of war, whether declared or undeclared;
- Suicide or any other intentionally self-inflicted injury, while sane or insane;
- Committing or attempting to commit an assault or a felony or your active participation in a violent disorder or riot (except while performing your official duties);
- The voluntary use of any poison, chemical compound or drug (including prescribed medications), unless used or consumed in accordance with the directions of a physician;
- Any illness or pregnancy existing at the time of the accident;
- Heart attack or stroke; or
- Medical or surgical treatment for any of the above.



# SUPPLEMENTAL LIFE INSURANCE

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The City of Eugene also offers an optional life insurance program called Portable Term Supplemental Life Insurance. This plan, provided through Voya ReliaStar Life Insurance Company, is voluntary and the premiums are paid by the employee through payroll deductions. Detailed information on this program is found on the Employee Benefits website: [www.eugene-or.gov/employeebenefits](http://www.eugene-or.gov/employeebenefits).

## **Eligibility**

All regular, benefitted IATSE, Limited Duration and AFSCME-represented Recreation Activity Employees are eligible to apply for Portable Term Supplemental Life Insurance coverage. You can apply for coverage during your first 30 days of employment to receive a Guaranteed Issue amount, or at any time of the year for non-Guaranteed Issue amounts.

*Guaranteed Issue Coverage Amount: Within the first 30 days of employment, you can apply for an amount equal to one-times your annual salary (to a maximum of \$100,000) without completing a Proof of Good Health form or having your application reviewed by Voya/ReliaStar Underwriting.*

## **Effective Date**

For “Guaranteed Issue” applications, coverage is effective the first of the month after the Risk Services Benefits Program receives the application. For all other applications, insurance will become effective on the first of the month after ReliaStar approves your application. Approval of underwritten coverage is subject to satisfactory answers to several health-related questions.

## **Amount of Coverage**

Insurance is available for you and/or your spouse or domestic partner from \$20,000 to \$500,000 in \$10,000 increments. Coverage for your spouse or domestic partner is independent from yours but with the same benefits and rates. Children’s coverage is also available as a rider, in amounts of \$5,000, \$7,500, and \$10,000.

Accidental Death and Dismemberment (AD&D) is an optional benefit that pays an additional amount if life, limb or sight is lost due to an accident. AD&D allows your beneficiary to collect twice the amount of your policy to a maximum of \$250,000 in the event death was a result of an accident. A benefit is paid to the insured if a loss of limb or sight occurs due to an accident.

## **Other Features**

- **An Accelerated Life benefit** is included under Portable Term Life. This allows you to collect 50% of your policy up to a maximum of \$50,000 if you have been diagnosed with a terminal illness.
- **Disability Waiver of Premium – If Voya/ReliaStar determines that you are totally disabled your portable term life insurance premium will be waived if the disability meets certain criteria.**
- **Portability** – If an employee terminates employment or retires, Portable Term Life coverage may be continued by remitting premiums plus an administration fee directly to ReliaStar Insurance Company. Contact the Benefits Program for more information, and to obtain an Voya/ReliaStar Supplemental Life Coverage Continuation Request form.

## **Cost**

The employee pays the entire cost of the insurance. The premiums are deducted from your paycheck. Premium rates depend on your age and the amount of insurance you purchase. Rate information and enrollment forms are available on the Employee Benefits website at [www.eugene-or.gov/employeebenefits](http://www.eugene-or.gov/employeebenefits) or by contacting Benefits Program staff.