



# New York Medical College Policy and Procedure Manual

<b>Section: HUMAN RESOURCES</b>	<b>No.: HR.319</b>
	<b>Date: May 23, 2008</b>
<b>Subject: LIFE INSURANCE</b>	<b>Page 1 of 9</b>
	<b>Supersedes: 7/20/93</b>

## I. Purpose

To establish an employee benefit plan which provides College employees and eligible dependents with life insurance.

## II. Scope

This policy applies to all College regular full-time faculty and staff employees and retirees.

CBU employees are covered by their respective Collective Bargaining Agreement.

The College reserves the right to amend or suspend this benefit at any time without prior notice.

## III. Definition

- A. Life Insurance – term insurance, payable only upon the death of the insured and subject to the guidelines of the group policy contract.
- B. Annual Salary – the basic annual salary paid through the College payroll system, exclusive of overtime pay, bonuses, and other types of additional compensation.
- C. Dependent – defined as the employee’s spouse or unmarried children under age 19 or full time student under age 23 who is dependent upon the employee for support.
- D. CBU - Union represented employee (Collective Bargaining Unit).

<b>Issued By:</b>	<b>Approved By:</b>
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#### **IV. Policy**

It is the policy of New York Medical College to offer eligible employees two (2) types of life insurance – Basic Life Insurance paid for entirely by the College and a Contributory Life Insurance paid for entirely by the employee.

#### **V. Procedure**

##### **A. Basic Life Insurance:**

1. Basic Life Insurance for active employees requires no medical examination to enroll and is a multiple of annual salary.
  - a. If the amount of life insurance is not a multiple of \$1,000, the benefit is raised to the next multiple of \$1,000. The maximum amount of basic life insurance is \$300,000.
  - b. The amount of life insurance is automatically adjusted to conform to any changes in annual salary or attained age except:
    - 1) If you are not actively at work on the day the adjustment would otherwise take effect, it will take effect on the date of return.
    - 2) No change in life insurance will be effectively retroactively.
2. **Accidental Death and Dismemberment**
  - a. The full amount of this benefit is equal to the Basic Life Insurance. If an active employee sustains accidental bodily injuries which, within ninety (90) days, results in one of the following losses, the Accidental Death and Dismemberment benefit will be payable as follows:
    - 1) The full amount in the event of death or loss of two (2) or more of the following: hand, foot, or sight in one (1) eye.

- 2) One-half the full amount in the event of loss of one (1) hand,  
One (1) foot, or sight in one (1) eye.
- b. No Accidental Death and Dismemberment is payable for death or other losses resulting from:
  - 1) Disease or illness of any kind, physical or mental infirmity, or medical or surgical treatment of them; ptomaine or bacterial infection, except infections as a result of an accidental cut or wound;
  - 2) Suicide or self inflicted illness or injury;
  - 3) War, declared or not declared; any act incidental to war; service in any military of any country while the country is engaged in war; police duty as a member of any military organization; or
  - 4) Taking part in or as a result of taking part in a commission of a felony.
- c. Accidental Death and Dismemberment benefit ceases upon termination of employment for any reason and cannot be converted to an individual policy.

### **3. Retiree Life Insurance**

- a. To qualify as a retiree, one must have reached the age of sixty (60) and have completed at least ten (10) years of service and be currently insured as an active employee.
- b. At retirement, the life insurance entitlement is ten percent (10%) of the annual salary in effect on the date prior to retirement.
- c. The amount of insurance will be raised to the next multiple of \$1,000, if not already such a multiple.
- d. In no event will the amount of life insurance exceed \$10,000, nor be less than \$3,000.

4. There is no Accidental Death and Dismemberment benefit nor Contributory Life Insurance for retired employees.

**B. Contributory Life Insurance**

The amount of Contributory Life Insurance is a multiple of annual salary and is determined by one (1) of the following options. The amount of insurance will be equal to the amount of insurance under Option I, or the amount of insurance under Option I plus the amount of insurance under the level elected under Option II.

**1. Option I**

- a. Life insurance is a multiple of annual salary.
- b. If the amount of life insurance is not a multiple of \$1,000, the benefit will be raised to the next multiple of \$1,000.
- c. In no event will the amount of the life insurance under Option I exceed \$300,000.
- d. In no event will the amount of life insurance under the Basic Schedule plus Option I exceed \$1,000,000.

**2. Option II**

- a. Option II is equal to a multiple of annual salary based on attained age, and determined by the level elected as well as the amount of insurance provided under Option I. If an eligible employee elects Option II, they are automatically electing Option I.
- b. If the amount of life insurance is not a multiple of \$1,000, the benefit will be raised to the next multiple of \$1,000.
- c. In no event will the amount of life insurance under the Basic Schedule,

plus Option I, and the level elected under Option II exceed \$1,000,000.

- d. The amount of insurance is adjusted automatically to conform to any change in annual salary or attained age except:
  - 1) If you are not actively at work on the day the adjustment would otherwise take effect, it will take effect on the date of return.
  - 2) No change in life Insurance will be effectively retroactively.
- e. The Contributory Life Insurance benefit is payable in the event of death from any cause.

### **C. Dependent Life**

- 1. Employees eligible for life insurance may also elect Dependent Life Insurance for their spouse and/or any unmarried children under age nineteen (19), or full-time student under age twenty-three (23) who is dependent upon the employee for support.
  - a. For the purposes of this policy, a dependent may also include any person who is eligible under this policy as an employee.
  - b. A married couple who are both employees of the College may each elect to insure their children and/or each other.
  - c. Employees will have thirty-one (31) days from the date of marriage to insure their spouse and thirty-one (31) days from the date of birth or adoption of the first child to insure dependent children without being required to furnish satisfactory proof of good health.
  - d. If on the date Dependent Life Insurance becomes effective, any one of the eligible dependents is confirmed to a hospital (for reasons other than birth), insurance for that dependent will begin at the time of discharge from the hospital.
  - e. Once Dependent Life Insurance for children takes effect, all Subsequent children will automatically become insured.

### 3. Insurance Schedule for Dependent Life

**Long-Term Disability Insurance (LTD)**

Insurance is effective at employment and benefit payments may begin after six months of disability, if approved for LTD.

**Basic:** (covers annual gross salary to \$40,000). Non-contributory coverage which provides 60% of monthly base pay to a maximum of \$2,000 a month).

**Contributory:** (covers annual gross salary from \$40,000 to \$200,000). You may purchase coverage above the \$2,000 a month level up to \$8,000 a month at the rate of 60% of monthly base pay. In no event will the total of basic and contributory exceed \$10,000 a month. To calculate the monthly cost of this insurance, use the table below (rates effective 12/01/04):

Age	60% Rate	X	Monthly Salary Above \$3,333	=	Participant Monthly Cost
Less than 30	.142%				
30 - 34	.218%				
35 - 39	.232%				
40 - 44	.343%				
45 - 49	.532%				
50 - 54	.791%				
55 - 59	.938%				
60 - 64	.949%				
65 and over	.974%				

**Life Insurance**

**Basic:** Non-contributory coverage with a face value equal to one-times annual base pay to a maximum of \$300,000. Accidental Death & Dismemberment (AD&D) coverage equals an additional one-times annual base pay.

**Contributory:** Option of 1, 2, 3 or 4 times annual salary to a maximum of \$1,000,000 combined Basic and Contributory. Medical evidence may be required for options 1 - 4. To calculate the monthly cost of the insurance, use the table below:

Age	Annual Base Pay	X	Option 1,2,3,4	=	Result to Next Higher 1,000	X	Monthly Rate per 1,000	=	Monthly Cost
Less than 30							\$0.05		

30-34							\$0.07		
35-39							\$0.08		
40-44							\$0.12		
45-49							\$0.20		
50-54							\$0.31		
55-59							\$0.60		
60-64							\$0.92		
65-69							\$1.55		
70-74							\$2.46		
75-79							\$4.85		
80 and over							\$9.22		

**Dependent Group Life Insurance**

<b>Benefit</b>	<b>Monthly Rate</b>	<b>OR</b>	<b>Benefit</b>	<b>Monthly Rate</b>
\$ 5,000 spouse/\$4,000 each child*	\$ 2.10		\$ 5,000 spouse only	\$ 2.02
\$10,000 spouse/\$4,000 each child*	\$ 4.33		\$10,000 spouse only	\$ 4.03
\$15,000 spouse/\$4,000 each child*	\$ 6.37		\$15,000 spouse only	\$ 6.05
\$25,000 spouse/\$4,000 each child*	\$10.43		\$25,000 spouse only	\$10.08
			\$ 4,000 child only*	\$ 1.00

\*Children are dependents who are unmarried and under age 19 or full-time students under age 23.

**Personal Accident Insurance**

Provides Accidental Death and Dismemberment Insurance coverage for you and, if you wish, for your spouse and dependent children. It covers you 24 hours a day both on and off the job, worldwide, and is payable in addition to any other insurance you may have. Amounts may be selected from 1-5x salary at time of election, to a maximum of \$ 500,000, rounded to the nearest \$1,000. (Subject to a reduction schedule at age 70.) See plan brochure for details, enrollment form and monthly cost of coverage.

**D. Continuation of Life Insurance During Total Disability**

1. If an active employee becomes disabled prior to their 60<sup>th</sup> birthday, their life insurance will be continued for the duration of the Total Disability coverage. Employees who are 60 years old when totally disabled may purchase a personal policy through the carrier.

**E. Conversion Privilege**

1. If an employee terminates employment or no longer belongs to an eligible class of employees, the employee may covert part or all of his/her life insurance to an individual policy without being required to

furnish proof of good health, subject to the provisions of the group policy.

2. This benefit must be elected within thirty-one (31) days of the employees change of status.
  - a. During this thirty-one (31) day period, life insurance will Continue.
3. There is no conversion for Dependent Life Insurance.

**F. New Hires**

1. As of the date of hire, all eligible employees are entitled to the Basic Life Insurance (see Section V.A.).
2. At the time of the Benefits Orientation, each eligible employee may elect any of the contributory coverages (see Section V.B.).
3. An Employee Statement of Health is required for any coverage elected above one (1) times salary; i.e., Option II.

**G. Current Employees**

1. Any changes (increase or decrease) in Contributory Life Insurance may be Initiated at any time.
2. An employee statement of health is required to increase coverage to more than one (1) times salary and/or an Employee Statement of Dependent Health is required to increase coverage beyond that which was elected at the initial Benefits Orientation.

**H. Retirees**

1. If an active employee retires who was covered under this Plan, they will be automatically entitled to Retiree Life Insurance (see Section V.A.3.).
2. There is no Contributory Life Insurance or Dependent Life Insurance for retirees.



**I. Beneficiary Designation**

1. The employee may name any beneficiary they wish, and the beneficiary may be changed at any time.
2. **Under no circumstances** may the College be named as beneficiary to an employee's life insurance.

**VI. Responsibility**

**A. Employee**

1. At initial benefits orientation, elect the benefit in which he/she wishes to participate.
2. Notify the Human Resources Department of the Affiliation Administration Office when any change in election is requested.

**B. Human Resources Department**

1. Properly code the Master Enrollment Form (HR-1) noting the elected employee coverage and the corresponding payroll deduction code for contributory coverages.
2. Input appropriate salary reduction codes into the Payroll System.
3. Transmit enrollment information to the Plan administrator/carrier.
4. Process check requests for payment of premiums.

**C. Human Resources Department/Affiliation Office**

1. Provide advice and guidance with respect to the interpretation and Administration of this policy.