



## Group Life Insurance Matters

This edition of the *Employer Update* is all about Group Life Insurance.



### W-2 File Update:

MainePERS will not require employers to submit employee W-2 information this year.

### Update on Direct Bill

MainePERS will begin direct billing for group life insurance premiums sometime in 2010. Once we know the exact date, MainePERS will provide advance notice to employers. Continue to include Group Life Insurance information via your employer payroll reports.

#### How will group life insurance direct billing work?

Our new system will calculate Group Life Insurance premiums due. Employers will receive a monthly invoice.

- The monthly invoice will be for 1/12 of the annual premiums due - based on the participant's coverage type, level and employer.
- Invoices will be posted to Employer Self Service (ESS) the first of the month based on premiums due for the previous month.
- The invoice can be printed or downloaded in various file formats.

#### How will I know about changes in coverage?

A report of approved changes in coverage will be available before the beginning of each month to alert you to any necessary premium changes.

#### How do I let MainePERS know when an employee's status changes?

You will use the *Personnel Status Change Form* in Employer Self Service to report employee status changes. You can use this form to report terminations, leaves of absence and returns from leaves.

### No Fooling!

#### April 1<sup>st</sup> is Level and Rate Change Season

The pay period that includes April 1st marks the annual tradition of adjusting employee life insurance coverage levels.

- The level is based on prior year annual base compensation, rounded up to the next \$1,000.
- Supplemental insurance rates are also adjusted based on the employee's age on April 1st.
- No level adjustments required for employees who:
  - Did not have a full calendar year of Group Life participation
  - Had reduced wages from an authorized leave of absence in the previous calendar year

#### For more information:

Go to the [Employer](#) section of the MainePERS website and click on Group Life.



## Information Employers Want to Know About Group Life Insurance



### Is my employee eligible for Group Life Insurance?

The general rule of thumb is any permanent employee who works at least 20 hrs. per week or 2 ½ normal working days per week is eligible. A complete list of eligible classes is included in Section 3 of *MainePERS Group Life Insurance Rule – Chapter 601*.



### What's next?

Once you determine that an employee is in an eligible position, have them complete the top section of the *Application for Coverage Group Life Insurance (GI-0908)* form no more than 31 days from their first date of eligibility. If they can't complete the form, or complete it after the 31-day timeframe, they will need to file Evidence of Insurability if they wish to have coverage in the future.



### What do you need from me the employer?

We need the bottom of the form completed and most importantly, the date the applicant first becomes eligible for GLI coverage.



### What is the date the applicant is first eligible for Group Life Insurance?

It's typically the first day an employee begins their job - often referred to as date of hire. The key is - it has to be in an eligible position. Check out Section 3 of *MainePERS Group Life Insurance Rule – Chapter 601* for the full description of coverage eligibility.

In some instances an employee may begin their employment with you in an ineligible position and then at a later date they may move into an eligible position. Their first date of eligibility is the date they began their eligible position. For instance, on October 15, 2009 you hired a Substitute Teacher – an ineligible position. On January 4, 2010 you hire the person as a full-time Ed Tech II – an eligible position. Their first date of eligibility is January 4, 2010. Within 31 days of this date, they will need to submit their completed application for coverage.



### When does coverage become effective?

Coverage becomes effective the first of the month following 31 days in an eligible position .

If you have additional Group Life Insurance questions, please contact Survivor Services for assistance by calling 1-800-451-9800 or you can reach us via e-mail at [SurvivorServices@mainepers.org](mailto:SurvivorServices@mainepers.org).