

# Administrative Rule #401 – Supplemental Death Benefit

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## BOARD OF PENSIONS ADMINISTRATIVE RULES

<b>Section</b>	4 (Supplemental Coverage's)	<b>Subject:</b>	Supplemental Death Benefit
<b>Rule Number:</b>	401	<b>Resource:</b>	Benefits
Reference: Article XVI, Section 16.6 Admin. Rule 107 (Gaps in Service) Admin rule 204 (Enrollment)		<b>Original Date:</b>	3/92
		<b>Revision Dates:</b>	8/31/94, 6/95, 4/97, 3/98, 5/99, 4/00, 4/01, 1/02, 5/02, 10/02, 4/03, 3/05, 2/11

Members actively working and members participating on the Transitional Participation or participating while on Military Leave and subscribing for coverage under the Death and Disability Plan are eligible to subscribe for the Supplemental Death Benefit Program in the amount of \$25,000, \$50,000, \$75,000, \$100,000, \$150,000, \$200,000, \$250,000 or \$300,000. Eligible members may also subscribe for the program for their spouse in the amount of \$25,000, \$50,000, \$75,000 or \$100,000 and/or their eligible child(ren) in the amount of \$5,000 or \$10,000.

### **When can members, their spouses and children apply for the Supplemental Death Benefit?**

- Within 31 days of first eligibility (the initial date of Plan entrance or membership re-establishment, this would include marriage for a new spouse and child(ren) and birth for a new child)
- During an open enrollment period
- Within 31 days of the start of a new service with an employing organization

### **Does the member have to participate in the Supplemental Death Benefits Program for the spouse and/or child(ren) to be eligible?**

- No, member may apply for coverage for the spouse and/or child(ren) without applying for coverage for him/herself.

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### **When is medical underwriting (evidence of insurability) required?**

For Members:

- Upon first eligibility: when applying for the \$75,000, \$100,000, \$150,000, \$200,000, \$250,000 or \$300,000 coverage level; \$25,000, \$50,000, \$75,000 or \$100,000 do not require medical underwriting.
- During an open enrollment period: for all coverage levels.
- With the start of a new service: for all coverage levels.

For Spouses:

- At all times for all coverage levels.

For Children:

- Medical underwriting is not required at any time of application.

### **When is the open enrollment period?**

The open enrollment period is determined annually by the Board. The open enrollment period is being held in the fall each year, with coverage being effective January 1 of the following year.

### **When does coverage take effect?**

Coverage takes effect on the date of enrollment in the Benefits Plan when applying during first eligibility, on the date of the start of a new service when applying upon the start of a new service and on the first of year when applying during an open enrollment period. However, should the application not be processed within 60 days of receipt due to administrative complexity, coverage will take effect the first of the month in which the coverage was approved.

### **When can application be made to increase a coverage level?**

Subject to medical underwriting, a participating member or spouse can apply to increase their coverage during an open enrollment period or with the start of a new service of the member. A member may apply for an increase in coverage for his/her child (ren) during an open enrollment period or with the start of a new service without medical underwriting.

### **When can coverage be terminated?**

Coverage can be terminated at any time. The request must be received in writing from the member or an authorized member of the employing organization. The effective date of termination of coverage will be the first of the month following month during which the Board of Pensions received the request.

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### **Retired Members**

- Allowed to continue to subscribe for the same or lesser coverage as was in effect on the date of retirement for themselves, their spouse and/or their child (ren).
- Must return the Retiree Supplement Death subscription form within 30 days of retirement
- Not allowed to apply for increase in coverage at any time.
- May participate through age 69 (coverage terminates upon 70<sup>th</sup> birthday) for themselves and through the spouse's age 69 for their spouse.

### **Disabled Members**

- Coverage level in effect prior to initiation of member disability will be continued for the member, spouse and/or child (ren).
- Dues will be waived for coverage for member, spouse and/or child (ren) in effect on the date of disability.
- Not allowed to apply for coverage or increase of coverage for member, spouse or children at any time while on disability status.

### **Members on Transitional Participation**

- Allowed to apply for coverage or increase of coverage for member, spouse and/or child (ren) during open enrollment period subject to medical underwriting for member and/or spouse.
- Must personally remit dues.

### **Tobacco User/Non-Tobacco User Rate**

- A participant, who does not return a Tobacco use statement, will be classified as a tobacco user until a statement is received indicating otherwise.
- A participant must remain "tobacco-free" for 12 months and complete a statement verifying such before qualifying for the non-tobacco user rate. The lower rate will take effect the first of the month following receipt of the statement by the Board of Pensions.
- If a participant who has expired is identified as a tobacco user and had been participating in the program on the non-tobacco user basis, a penalty of up to 5 years difference in premiums will be deducted from the payable death benefit.

### **Member Couples**

- A member may only participate in the ODB Program as a member or a spouse; he/she cannot participate as both.
- If a spouse is participating in the ODB Program and becomes a member, he/she can apply for ODB coverage without medical underwriting or remain enrolled as the spouse of a member.

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- If a member is participating in the ODB Program and terminates active service, the participating member can:
  - apply for ODB coverage for the children,
  - apply for coverage for the spouse without medical underwriting up to the level the spouse carried as a member (subject to \$50,000 maximum),
  - apply for additional coverage for the spouse subject to medical underwriting.

### **Divorced/Surviving Spouses**

- Divorced and surviving spouses are not eligible to enroll for or continue Supplemental Death Benefits coverage.

### **Eligible Children**

- Eligible children will be allowed to be covered up until their 26<sup>th</sup> birthday eligibility for the Supplemental Death Benefits Program will coincide with their eligibility for medical coverage.