

**California Department of Human Resources
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Annual Premium Age Update Review – Basic Group Term Life Insurance, Supplemental Life Insurance, and Long Term Disability Insurance	REFERENCE NUMBER: 2015-036
DATE ISSUED: December 17, 2015	SUPERSEDES:

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Managers
Personnel Transactions Supervisors
Personnel Transactions Staff**

FROM: California Department of Human Resources
Benefits Division

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Effective January 1, 2016, premium changes take effect for certain employees enrolled in the Basic Group Term Life Insurance, Supplemental Life Insurance, and Long Term Disability Insurance (LTD) Programs for excluded employees. These changes are based on the employee's age, salary, and/or policy amount.

Basic Group Term Life and Supplemental Life Insurance

The Basic Group Term Life Insurance policy for excluded employees requires that when employees reach age 70, their employer-paid life insurance premium and benefit will be reduced by 50 percent on January 1 of the following year. Therefore, effective January 1, 2016, (December 2015 pay period) premiums for these employees will be reduced by 50 percent. Benefits will be reduced as follows:

- Managerial employees from \$50,000 to \$25,000.
- Confidential and supervisory employees from \$25,000 to \$12,500.

Supplemental Life Insurance plan premiums are based on age and the amount of insurance purchased. In December, consistent with plan provisions, the Metropolitan Life Insurance Company (MetLife) conducts an annual age audit to determine if a premium increase is necessary and notifies affected employees of any premium increases. These increases take effect January 1, 2016, (December 2015 pay period).

Questions regarding these changes should be directed to MetLife at 1-800-252-8524.

Long Term Disability Annual Age Review

The formula for calculating premiums for employees enrolled in the LTD program is based on the employee's base salary, age, and retirement category (e.g., miscellaneous or safety). In December, the State Controller's Office audits enrollees' payroll history files to identify employees who had salary and/or age changes during 2015 that affect their premiums. Premiums for employees who moved to the next higher premium age group (e.g., from age 39 to 40, 49 to 50, etc.) will increase effective January 1, 2016, (December 2015 pay period).

Departments are encouraged to communicate this information to their excluded employees.

Employee questions about the Basic Group Term Life Insurance and Supplemental Life Insurance, and Long Term Disability Programs should be addressed by the departmental personnel/payroll office. If departments have questions or need assistance, please contact Monica Hernandez at the phone number or email address listed above.

/s/Belinda Collins

Belinda Collins, Chief
Benefits Division