

### Calculating Your Monthly Premium

To calculate your monthly premium, take the cost information that applies to your age as of your participation date from the **Optional Group Term Life Monthly Rates** table below and follow the steps shown in the sample calculation. Keep in mind, the County pays 15 percent of the monthly premium. You pay the difference. The rates below are rounded to two decimal points for simplicity. Actual rates are three decimal points.

Optional Group Term Life Monthly Rates	
Employee Age	Cost Per \$1,000 of Insurance*
Under 30	\$.033
30-34	\$.056
35-39	\$.063
40-44	\$.071
45-49	\$.105
50-54	\$.162
55-59	\$.304
60-64	\$.466
65-69	\$.664
70 and older	\$1.278

**\*You only pay 85% of this cost because the County pays 15%.**

After your new coverage takes effect, the County automatically adjusts your monthly premium cost as your age or salary changes. Review the rates above carefully as your cost significantly increases based on your age bracket above.

Be sure that the life insurance coverage you elect meets your current needs. Each year at annual benefits enrollment, you will have the opportunity to increase your coverage by one level, to a maximum of eight times your annual salary.

**Example:** If you elected coverage equal to one times your annual salary, at the next annual benefits enrollment you would only be able to increase coverage to two times your annual salary. If you elected coverage equal to two times your annual salary, you would be able to increase it to three times your annual salary, etc.

**Important Note:** The Optional Group Term Life insurance is a group term policy, not an individual term policy. A group term policy is intended to be available to active County employees maintaining premiums throughout their employment regardless of their age. It is not an individual policy, but a policy owned by the County. If for any reason you receive no pay for any month and your premiums are not paid, see the Coverage While Not Receiving Pay on pages 18-19 to learn more about your options. Contact New York Life Group Benefit Solutions (New York Life) at 800-842-6635, for information on converting the group term policy to an individual term policy when you retire or leave County service.

### Sample Calculation

Use the following example to calculate your monthly cost of coverage on a pre-tax and after-tax basis.

You are 42 years old, you earn \$37,500 per year, and you choose coverage of two times your annual salary.

- ❶ Round your salary to the next highest \$1,000 if it is not an even multiple of \$1,000 (\$38,000)
- ❷  $\$38,000 \times 2 = \$76,000$
- ❸  $\$76,000 \div \$1,000 = \$76$
- ❹  $\$76 \times \$0.071 \times .85 = \$4.59$  your share of the monthly premium\*\*

You are a member of Retirement Plan D; therefore, the total amount of coverage you can pay for with pre-tax dollars is \$45,000.

- ❺  $\$45,000 \div \$1,000 = \$45$
- ❻  $\$45 \times \$0.071 \times .85 = \$2.72$  your *monthly pre-tax cost*\*\*

Your monthly after-tax cost is:

- ❼  $\$4.59 - \$2.72 = \$1.87$  *monthly after-tax cost*\*\*

**\*\*The County pays 15% of the monthly premium and you pay 85% of the premium. In addition, the difference between the IRS value of your life insurance over \$50,000 and your after-tax cost will be treated as additional or "imputed" taxable income to you.**

## Beneficiary Designation

When you designate a specific beneficiary (such as a child) and your personal circumstances change (such as marriage), your beneficiary remains the same as you originally designated unless you request a change. To designate a beneficiary, mail a completed *Beneficiary Designation Form* to New York Life. The form is included in new hire packets, and you may request one from New York Life at 800-842-6635. If you do not have a named beneficiary on file, the plan will pay out your life insurance benefit in the following order:

- 1) Your surviving spouse
- 2) Your surviving children
- 3) Your surviving parents
- 4) Your surviving siblings
- 5) Your estate

## Disability and Terminal Illness Provisions

If you become totally disabled before age 65 and provide proof of disability to New York Life, your Optional Group Term Life insurance coverage is extended for the period of disability without further premium payment. In addition, if you become terminally ill and have a life expectancy of 12 months or less, you can receive 25 percent to 75 percent of the face value of your policy and use it for whatever you choose. Read the plan brochure or policy material for details.

## Dependent Term Life Insurance

When you purchase Optional Group Term Life insurance for yourself, you may also purchase coverage for your spouse/domestic partner and dependent children. You may purchase one of the following coverage amounts for your dependents:

Amount of Optional Dependent Term Life Coverage*	Monthly Cost for Family Coverage
\$5,000	\$0.83
\$10,000	\$1.66
\$15,000	\$2.50
\$20,000	\$3.33

\*Coverage for newborns from birth to six months is limited to \$500.

The monthly cost is for coverage for *all* of your eligible family members, regardless of the number of family members covered. For example, a person covering a spouse/domestic partner and one dependent child will pay the same amount as a person covering four dependent children. **The cost is added to your monthly life insurance premium, and you pay it with after-tax dollars.**

Each covered family member over age six months is insured for the same coverage amount. Unmarried **dependent children are covered for the full amount from age six months through age 20 (through age 25 for full-time students) and primarily supported by you, your legal spouse or domestic partner.** Age 26 and older if your child is disabled, primarily supported by you, your legal spouse or domestic partner and is incapable of self-sustaining employment. Dependent children from birth to six months are covered at \$500.

## Dependent Term Life Insurance Coverage for Domestic Partners

To purchase Dependent Term Life insurance for your domestic partner, you must have a County of Los Angeles Declaration of Domestic Partnership form or registered State of California *Declaration of Domestic Partnership form* or California Certificate of Registered Domestic Partnership (or valid proof of a similar legal union from another state) on file with the Benefits Plan Administrator.

**Note: When you end a domestic partner relationship and complete the termination of domestic partnership life event, your former domestic partner is no longer eligible for the Dependent Term Life insurance coverage. See Stopping Coverage for a Domestic Partner on page 5.**