

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. **Note:** 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	\$.037
30-34	.064
35-39	.072
40-44	.081
45-49	.120
50-54	.184
55-59	.346
60-64	.530
65-69	.756
70 and older	1.454

*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.

Be sure that the life insurance coverage you elect meets your current needs. Each year at annual 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 enrollment you will only be able to increase coverage to two times your annual salary. If you elected coverage equal to two times your annual salary, you will be able to increase it to three times your annual salary, etc.

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 **Request for Change of Beneficiary** card to CIGNA Life. The card is included in new hire packets, and you may request one from CIGNA 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.

Sample Calculation

Use the following example to calculate your monthly cost of coverage on a before-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.

- ① Round your salary to the next highest \$1,000 if it is not an even multiple of \$1,000 (\$38,000)
- ② $\$38,000 \times 2 = \$76,000$
- ③ $\$76,000 \div \$1,000 = \$76$
- ④ $\$76 \times \$0.081 \times .85 = \$5.24$ 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 before-tax dollars is \$48,000.

- ⑤ $\$48,000 \div \$1,000 = \$48$
- ⑥ $\$48 \times \$0.081 \times .85 = \$3.31$ your *monthly before-tax cost**

Your monthly after-tax cost is:

- ⑦ $\$5.24 - \$3.31 = \$1.93$ *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.*