

Basic Life Insurance

Member Coverage

Amount of Coverage	One times annual salary (minimum \$15,000).
Cost of Coverage	Free to eligible members. Employer pays the premiums.
How to Enroll	Automatically enrolled. However, member must designate beneficiaries during the SEBES online enrollment.
Eligibility Date	Eligible the day the employee becomes a member of MOSERS, if meets the “actively at work” requirement.
Coverage at Retirement	\$5,000 (If retired within 60 days of leaving state employment). Employer pays premiums.

- Basic life insurance is a state-sponsored benefit. Premiums for active and retired member coverage will be paid by the employer as a percentage of active payroll.
- Annual rate of pay cannot include overtime or any other irregular payments.
- The insurance provided in MOSERS’ plan is “term” life insurance. It does not accumulate a cash value.
- If a member wants to keep his/her basic life insurance coverage while on an approved leave of absence, he/she may pay the premiums directly to MOSERS each month (up to one year). Members on a military leave of absence may retain their basic and optional coverage for the duration of deployment by paying their premiums.
- For detailed information about MOSERS life insurance, please refer to the *Life Insurance Handbook* or contact a benefit counselor.

Annual Basic Coverage Update

Basic life insurance coverage will be updated January 1 of each year based on the member’s salary as of July of the previous year.

Duty-Related Death Provision

If a member’s death is determined to be duty-related, the designated beneficiary will receive three times the basic life insurance coverage amount.

IRS Tax Liability (Basic Life Insurance in Excess of \$50,000)

When an employee’s salary level provides life insurance in excess of \$50,000, federal law requires that an approximation of the premium for the excess coverage be determined and included in the employees’ taxable income. The approximation of the premium is determined using an age-based table provided by the IRS (Publication 15-B).

Age	Monthly Rate Per Thousand
Under 25	\$.05
25-29	.06
30-34	.08
35-39	.09
40-44	.10
45-49	.15
50-54	.23
55-59	.43
60-64	.66
65-69	1.27
70 & older	2.06

Designation/Change of Beneficiaries Form

This form may be completed and submitted online through the secure Member Homepage under the Forms menu option.

Primary beneficiaries will be listed on the member's Annual Benefit Statement. Contingent beneficiaries will also be listed online and on the member's Annual Benefit Statement if submitted on or after October 2012.

If members do not provide the social security number for each beneficiary listed, MOSERS cannot assure we will be able to locate and pay their beneficiaries.

- Although this form is incorporated into SEBES, it will still be available as a stand-alone form for future changes.
- The beneficiary designation will become effective when this form is received in the MOSERS office or submitted online.
- The member is automatically the beneficiary of spouse and child(ren) coverage.
- The member must complete the form each time the member wishes to change life insurance beneficiaries.
- Please remind members to keep their beneficiaries updated!
- Naming a minor (a person under the age of 18, except an emancipated minor) or estate as a life insurance beneficiary may require that a conservator or other legal representative be appointed by a court before any payment can be issued. This could cause legal expenses for the beneficiary and delay in payment. This should be taken into consideration when naming a beneficiary. As an alternative, members may wish to set up a trust to receive assets upon their death. A trust is a legal arrangement through which a trustee manages the assets for beneficiaries. Members should contact an attorney to set up a trust.
- While MOSERS keeps a record of the contingent beneficiaries submitted to us, they will only be listed on the member's *Annual Benefit Statement* if those contingent beneficiary designations were submitted online.