

## MEMBER COVERAGE

Understanding your life insurance coverage allows you to make better decisions regarding your future and the future of your loved ones. There are two types of life insurance coverage available through MOSERS: basic and optional.

- **Basic Life Insurance Coverage** - If you meet the eligibility requirements of the plan, life insurance coverage in the amount of one times your annual salary (minimum of \$15,000) will automatically be provided at no cost to you. The amount of your basic life insurance coverage will be adjusted yearly (if necessary).
- **Optional & Dependent Life Insurance Coverage** - You may elect to purchase additional coverage on yourself, your spouse, or your child(ren) and make the premium payments through payroll deductions.

For both types of insurance, you must designate at least one beneficiary—someone to whom the proceeds will be paid at the time of your death.

The insurance provided through MOSERS is “term” insurance. This means:

- Your insurance has no cash or loan value.
- Your beneficiary(ies) will not receive a payment from basic life insurance if your coverage through the state has been terminated.
- Your beneficiary(ies) will not receive a payment from any optional insurance if you cease to pay the required premium(s).

## LIFE INSURANCE BENEFICIARIES

Your life insurance coverage amounts are payable to your named beneficiary(ies) if you die while insured. You may name one or more beneficiaries (primary and contingent) to receive the proceeds from your life insurance.

- **Primary Beneficiary** - The person(s) or organization(s) who will be recognized first by Standard Insurance Company to receive your life insurance proceeds.
- **Contingent Beneficiary** - The alternative beneficiary(ies) who will receive your life insurance proceeds in the event your primary beneficiary(ies) does not survive you.

You are automatically the beneficiary of any optional life insurance you purchase to cover your spouse and/or child(ren).

### Naming Minor Children as Beneficiaries

Naming a minor (a person under the age of 18, except an emancipated minor) or estate as your beneficiary for life insurance proceeds 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 the payment. Please take this into consideration when naming your beneficiary.

As an alternative, you may wish to set up a trust to receive your assets upon your death. A trust is a legal arrangement through which a trustee manages the assets for your beneficiaries. If you would like to set up a trust, please contact an attorney.

## When No Beneficiary is Designated

If you do not designate a beneficiary for the proceeds of your life insurance or if no designated beneficiary survives you, your life insurance benefit will be paid in the following order to your:

- Surviving spouse
- Surviving children (including legally adopted children), divided equally
- Surviving parents, divided equally
- Surviving brothers and sisters, divided equally
- Estate

Your life insurance benefits are not assignable or transferable to another party, except by your beneficiary(ies) to pay your funeral expenses.

## DIVORCE & IDENTITY THEFT

In the event of a divorce, you may wish to change your life insurance beneficiary and/or passwords which allow you to make such changes.

Life insurance proceeds will be paid to the beneficiary you have listed at the time of your death, even if you are no longer married to that person at the time of your death.

You may change your beneficiaries at any time by completing a *Designation/Change of Beneficiaries* form on MOSERS' website.

At all times you should be aware of those who have access to your personal information or passwords, and especially when going through a divorce or other life event. In these cases, it is important to routinely check the accuracy of your information from any institution that administers your retirement, insurance, credit, or any other financial benefits.

## DESIGNATING A BENEFICIARY

To designate or change a beneficiary, complete a *Designation/Change of Beneficiaries* form. The form must be signed and dated by you and delivered to MOSERS during your lifetime. Your designations will be effective when MOSERS receives the form.

When you designate a beneficiary you are giving instructions to MOSERS on how to distribute your life insurance proceeds.

- Be sure you provide as much information as possible for your primary and contingent beneficiary designations (you may have more than one).
- **Individual designations should include your beneficiary(ies) name, relationship, address, date of birth, and social security number.**
- You may name a trust, corporation/organization, or estate as your beneficiary(ies).
- You must indicate the amount (percent/fraction) for each beneficiary designation.
- You may change your beneficiaries at any time by completing and submitting a new designation form.
- Inform your beneficiaries of their designation so they are aware that they may be entitled to a benefit.
- Remember to periodically review and update your beneficiary designations.

Examples of beneficiary designations as well as instructions for completing the form are on the *Designation/Change of Beneficiaries Basic & Optional Life Insurance* form. You may also log in to your **Member Homepage** at [www.mosers.org](http://www.mosers.org) to complete and submit the form online.

*This publication focuses on information you should know when designating life insurance beneficiaries. This information does not amend or overrule any applicable statute, administrative rule, or the life insurance policy. The life insurance carrier is ultimately responsible for determining the eligibility for and amount to be paid to your beneficiaries. If there is a discrepancy between this brochure and the statute and/or insurance policy, the statute and/or insurance policy will prevail.*



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