

## Life and AD&D

### Basic Life and Accidental Death and Dismemberment

Eastpointe Community Schools provides full-time employees with Basic Life and AD&D insurance, insured by Mutual of Omaha, and pays the full cost of this benefit.

Life insurance is extremely important if you have family members that depend on your income. Life insurance provides financial security for you and your dependents should you die while an employee of this district. Accidental Death and Dismemberment (AD&D) insurance pays an additional benefit if your death is a result of an accident. In addition, AD&D insurance will pay a portion of the benefit for a loss of limb, eyesight or both, if the loss is a direct result of an accident.

Review the Union Contract and certificate/booklet for your Basic Life and AD&D benefit amount further coverage details.



**Reminder:**  
Contact the Life and AD&D carrier within 31 days of loss of coverage for information and instructions on how to apply for continuation of coverage.

### Optional Life and Accidental Death and Dismemberment

Employees who want to supplement their group life insurance benefits may purchase additional coverage through Mutual of Omaha. When you enroll yourself in this benefit, you pay the full cost through pre-tax payroll deductions.

- You can elect coverage for yourself in increments of \$10,000 to a maximum of five times your annual salary, up to \$150,000.
- You can elect coverage for your dependent spouse in increments of \$5,000 to a maximum of 100% of your elected benefit.
- You can elect coverage for your dependent child(ren) in increments of \$1,000 starting at \$2,000 to a maximum of \$10,000.

Dependent spouse and/or child(ren) coverage is only available if the employee has coverage under this plan. Spouse coverage terminates at age 70.

Evidence of insurability is required if you waive coverage when you are initially eligible and choose to enroll at a later date; and for any increase in coverage.

Benefits reduce at age 70 for employee coverage, spousal coverage terminates at age 70. Coverage effective dates and increases in coverage may be delayed if you are disabled or have a life-threatening condition on the date coverage is scheduled to take effect. Review the carrier certificate/benefit booklet for details.

**A Note About Imputed Income:** Any employee whose company-paid life insurance amount exceeds \$50,000 will have the value of the insurance over \$50,000 applied as imputed income when calculating income taxes. These amounts are taxable to you and will be withheld as payroll tax and will be reported on your W-2. The monthly rate of imputed income is determined by multiplying the age-banded rate by the amount of insurance over \$50,000. These rates are found on Table 1 of IRS Code Section 79. For more information, consult your tax advisor.

| Optional Life/AD&D Rates<br>Employee/Spouse |                                                    |                                                    |
|---------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Age                                         | Monthly<br>Life Rate per<br>\$1,000 of<br>Coverage | Monthly<br>AD&D Rate<br>per \$1,000 of<br>Coverage |
| <25                                         | \$0.070                                            | \$0.025                                            |
| 25-29                                       | \$0.070                                            | \$0.025                                            |
| 30-34                                       | \$0.090                                            | \$0.025                                            |
| 35-39                                       | \$0.090                                            | \$0.025                                            |
| 40-44                                       | \$0.140                                            | \$0.025                                            |
| 45-49                                       | \$0.210                                            | \$0.025                                            |
| 50-54                                       | \$0.340                                            | \$0.025                                            |
| 55-59                                       | \$0.510                                            | \$0.025                                            |
| 60-64                                       | \$0.580                                            | \$0.025                                            |
| 65-69                                       | \$0.960                                            | \$0.025                                            |
| 70 +                                        | \$1.68                                             | \$0.025                                            |

Dependent child(ren) rate is \$0.11 for Voluntary Life and \$0.040 for Voluntary AD&D per \$1,000 of coverage

Calculate your monthly cost by dividing your election amount by 1,000, then multiply by the rate in the chart above this amount equals your monthly cost.

(Example based on age 35:  
 $\$35,000 \div 1,000 = 35 \times \$0.115 =$   
\$4.03 monthly cost)