

## **ELIGIBILITY AND APPLYING FOR COVERAGE – OPTIONAL LIFE COVERAGE FOR DEPENDENTS**

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Some terms used in General Provisions are defined below. Others may be explained in the “Words and Phrases” section.

### ***WHO MAY BECOME COVERED- OPTIONAL DEPENDENT LIFE COVERAGE***

An Employee may also insure those persons who qualify as eligible Dependents. Dependent Life Coverage is available at the time the Employee becomes eligible for Basic Life Coverage provided Supplemental Life Coverage is elected.

### ***AMOUNT OF COVERAGE***

Employees who are covered under Supplemental Life Coverage may elect \$10,000 Dependent Life Coverage.

### ***APPLICATION FOR OPTIONAL COVERAGE***

Employees must be enrolled in the Supplemental Life Coverage to enroll in Optional Life Coverage for Dependents.

#### **New Hire:**

During the initial 30-day enrollment period, an Employee must complete the online Group Life Benefit Plan Form or Group Life Form to receive Supplemental Life Coverage. Failure to complete the online Group Life Benefit Plan Form will result in no Supplemental Life Coverage. However, the Employee may apply during the Plan Year by completing a printed Group Life Benefit Plan Form or by going online.

#### **Active Employee:**

After the initial 30-day enrollment period, an Employee must complete the online Group Life Benefit Plan form to apply for Dependent Life Coverage or by going online.

Employees may cancel coverage at any time by completing the Group Life Benefit Plan Form available from a Human Resource Manager or online at <http://benefits.sd.gov>. The cancellation becomes effective the 1<sup>st</sup> or 15<sup>th</sup> of the month following the payroll date reflecting the change.

### ***WHEN OPTIONAL DEPENDENT LIFE COVERAGE BECOMES EFFECTIVE***

The effective date(s) of coverage for the Employee’s Dependent(s) is determined as follows.

- (a) Coverage begins one month and one day after the Employee’s date of hire if the Dependent is enrolled and contributions are withheld from the Employee’s first payroll cycle.

Otherwise, the coverage effective date for that person is the 1<sup>st</sup> or 15<sup>th</sup> of the month following the payroll date in which contributions are first withheld.

- (b) If the Dependent is eligible for coverage without requiring evidence of insurability, coverage for that person becomes effective on the 1<sup>st</sup> or 15<sup>th</sup> of the month following the payroll date which

shows a deduction for Dependent Life Coverage. However, with respect to Dependent Life Coverage for a child under 14 days of age, no earlier than the date the child becomes 14 days old.

**Central Payroll Employees.** When approved by the Plan Administrator, the effective date of any changes during the Plan Year is the 1<sup>st</sup> or 15<sup>th</sup> of a month determined by the date during the payroll cycle in which most closely follows the 1<sup>st</sup> or the 15<sup>th</sup> of a month.

**Board of Regents Employees.** When approved by the Plan Administrator, the effective date of the changes made during the Plan Year is the 1<sup>st</sup> of a month.

In all cases, the actual coverage effective date will be contingent on receipt of all required completed forms and required contributions.

In any event, the Employee must be Actively at Work on the date Dependent Life Coverage would otherwise become effective. A Dependent of an Employee who is not Actively at Work on such date will not become covered until the date the Employee is again Actively at Work.

### ***COST OF OPTIONAL DEPENDENT LIFE COVERAGE***

The Employee pays the full cost of Dependent Life Coverage on an after-tax basis. These after-tax contributions are deducted from payroll on a semi-monthly or monthly basis. Contribution amounts are calculated per \$1,000 of coverage. Age-graded bands determine the appropriate contribution rate to use in this calculation. To view current rates, [click here](#).

### ***WHEN OPTIONAL DEPENDENT LIFE COVERAGE ENDS OR CANCELLATION OF DEPENDENT LIFE COVERAGE***

Dependent life coverage ends when:

- (a) Loss of Dependent eligibility – see definition;
- (b) Dependent dies;
- (c) Employee's employment ends;
- (d) Employee ceases to be a member of the class or classes eligible for such coverage;
- (e) Employee dies;
- (f) Employee stops making contributions for such coverage; or
- (g) Plan terminates.

In the situations listed above, coverage will end on the 1<sup>st</sup> or 15<sup>th</sup> of the month following the last payroll date in which contributions were paid.

### ***BENEFICIARY – OPTIONAL DEPENDENT LIFE COVERAGE***

The Employee is the beneficiary of any Dependent Life Coverage. If the Employee and a covered Dependent pass away in a common accident, the Employee's spouse will receive any Dependent Life Coverage benefits. If both Employee and Employee's spouse die in a common accident, or the Employee is not married at the time of death, any Dependent Life Coverage benefit proceeds will be payable to the Employee's estate.

**NOTE:** Benefits will not be paid to a primary beneficiary or contingent beneficiary who commits murder or manslaughter of the covered individual. Instead, benefits will be paid to the other primary beneficiary(ies) or contingent beneficiary(ies). If there are no other primary beneficiary(ies) or contingent beneficiary(ies), benefits will be paid into the estate of the deceased. In no event will the person committing murder or manslaughter receive any of the benefits through the estate.