

ELIGIBILITY AND APPLYING FOR COVERAGE – SUPPLEMENTAL LIFE COVERAGE FOR EMPLOYEES

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

WHO MAY BECOME COVERED - SUPPLEMENTAL LIFE COVERAGE FOR EMPLOYEES

A Benefit Eligible Employee is automatically eligible for Supplemental Life Coverage. A Benefit Eligible Employee is considered eligible on the latest of:

- (a) completion of any applicable Waiting Period;
- (b) the date the Employee is included in the Eligible Class; or
- (c) the Effective Date.

AMOUNT OF SUPPLEMENTAL LIFE COVERAGE

The Employee may choose Supplemental Life Coverage equal to two, three, four, or five times annual earnings (rounded to the next highest multiple of \$1,000), but in no event shall the amount of coverage exceed \$400,000. Annual Earnings does not include any other compensation such as longevity pay, fringe benefits, bonuses, overtime pay, or summer school compensation.

APPLICATION FOR SUPPLEMENTAL LIFE COVERAGE

New Hire:

During the initial 30-day enrollment period, an Employee must complete the online Group Life Benefit Plan 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.

Active Employee:

After the initial 30-day enrollment period, an Employee must complete the online Group Life Benefit Plan Form along with the Evidence of Insurability Form to apply for Supplemental Life Coverage.

If evidence of insurability is required, the Employee will be notified of the determination regarding approval or denial.

WHEN SUPPLEMENTAL LIFE COVERAGE BECOMES EFFECTIVE

Such election will be effective on the latest of:

- (a) completion of any applicable Waiting Period;
- (b) the date the Employee is included in the Eligible Class; or

(c) the Effective Date.

The date the Employee becomes covered under the Supplemental Life Coverage will be determined as follows:

If an Employee elects coverage as a new hire and contributions for coverage are withheld from the Employee's first payroll cycle, coverage becomes effective one month and one day after employment begins. Otherwise, coverage begins on the 1st or 15th of the month following the payroll date in which contributions are received.

Central Payroll Employees. When approved the effective date of any changes during the Plan Year is the 1st or 15th of a month.

Board of Regents Employees. When approved the effective date of any changes during the Plan Year is the 1st of a month.

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

Increases in Supplemental Life Coverage because of a pay increase or age change will be reflected on the 1st or 15th of the month following the pay increase.

In any event, an Employee must be Actively at Work on the date the increase or election of Supplemental Life Coverage would otherwise become effective. An Employee who is not Actively at Work on such date will not become covered until the date the eligible employee is Actively at Work.

COST OF SUPPLEMENTAL LIFE COVERAGE

Active Employees pay the entire cost of Supplemental Life Coverage through after-tax payroll deductions. 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](#).

NOTE: The Plan Administrator may change the contribution rate assigned to each age-graded band at any time it deems necessary, with a minimum of 30 days notice to Employees before the change is effective.

During the Plan Year, contribution amounts will increase if the Employee's Annual Earnings increase or if an Employee moves into a new age-graded band. Increases because of an earnings increase will be effective on the 1st or 15th of the month following the pay increase. Increases because of a change in age will be effective on the first payroll date in the month of the age increase.

RIGHT TO REQUIRE EVIDENCE OF INSURABILITY – SUPPLEMENTAL LIFE COVERAGE FOR EMPLOYEES

After the initial enrollment period, Employees may apply for Supplemental Life Coverage or increase Supplemental Life Coverage levels by making application on a Group Life Benefit Plan Form available from your Personnel Office or online at <http://benefits.sd.gov>.

In the following situations, the Plan Administrator may require evidence of insurability which satisfies that the Employee is eligible for Supplemental Life Coverage:

- (a) If the Employee applies for Supplemental Life Coverage more than 30 days after becoming an eligible Employee;
- (b) If the Employee wants to increase coverage more than 30 days after becoming eligible for benefits; or
- (c) To reinstate coverage for the Employee if coverage ended because the Employee did not make a required contribution.

WHEN SUPPLEMENTAL LIFE COVERAGE ENDS OR CANCELLATION OF SUPPLEMENTAL LIFE COVERAGE

The Employee's benefit ends under Supplemental Life Coverage when the:

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

The effective date when coverage terminates is the 1st or 15th of the month following the last payroll date in which contributions were paid.

Coverage may be reduced or cancelled at any time by completing the required Group Life Benefit Plan Form available from your Human Resource, Personnel Office or online at <http://benefits.sd.gov>. The reduction or cancellation becomes effective the 1st or 15th of the month following the payroll date reflecting the change of contribution.

BENEFICIARY – SUPPLEMENTAL LIFE COVERAGE FOR EMPLOYEES

A beneficiary is the person or persons designated by the Employee in writing or online, on a form prescribed by the Plan. An Employee may name more than one primary beneficiary to receive benefits in the amount or amounts specified. An Employee should also name a contingent beneficiary or beneficiaries who are entitled to benefits in the event there are no surviving primary beneficiary(ies).

A beneficiary designation change must be made by completing an online form or a written notice (on a Group Life Benefit Plan Form) with the Plan Administrator. Once filed, the change is effective as of the date the new designation was signed, even though the Employee may not be living when the entry is made in the Plan's benefit records.

The consent of a beneficiary is not needed to name a beneficiary or to make a beneficiary change.

NOTE: Benefits will not be paid to a primary beneficiary or contingent beneficiary who commits murder or manslaughter of the covered individual. Instead, these 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 to the estate of the deceased. In no event will the person committing murder or manslaughter receive any of the benefits through the estate.

FACILITY OF PAYMENT – SUPPLEMENTAL LIFE COVERAGE FOR EMPLOYEES

If the beneficiary is a minor, or for any other reason is not capable of giving a valid release for any payment due, the Plan Administrator may make the payment to the beneficiary's Legal Guardian.

The Plan Administrator will pay the Employee's estate in the event that no beneficiary designation is in effect or that no designated beneficiary is living at the time of the Employee's death. In the event there is a question or dispute regarding the proper recipient of the proceeds, the Plan Administrator may make payment directly to the Employee's estate which shall hold such proceeds until such matter is resolved. The liability of the Plan Administrator shall be fully discharged to the extent of payment made under this provision.

BASIC LONG-TERM-CARE (LTC) BENEFIT

Active Employees who carry the State's Group Supplemental Life Coverage will automatically receive a Basic Long-Term-Care (LTC) benefit. Unum insures this benefit. The Basic benefit provides \$1,500 per month if a member is unable to work due to the loss of two or more Activities of Daily Living (ADLs) and is confined to a nursing home. Partial benefits are provided if a member resides in an Assisted Living Center or receives professional help in the home. The maximum amount for this benefit is \$36,000 which is equivalent to a 2-year duration with a \$1,500 monthly benefit. Contact our local representative of Unum, Risty Benefits, Inc. directly at 605.338.1489 or Unum directly at 800.227.4165 to learn about the exceptions and exclusions that may apply.

Employees who have their Supplemental Life Coverage stopped or terminated will receive a Continuation of LTC Coverage Election Form. The employee can then elect to continue their LTC insurance directly through UnumProvident after the group coverage terminates. If the employee wishes to elect continuation of coverage, a completed form must be sent directly to UnumProvident. The member will then be responsible for the entire cost of the LTC coverage.