

Active Member Benefits

Basic Group Life Insurance

- What is Basic Group Life Insurance
- Who is covered by Basic Group Life Insurance
- What is the Amount of Coverage
- Who Pays For Basic Group Life Insurance
- Military Service

Active Member Death Benefit

- What is Payable to the Beneficiary
- Survivor Spouse Benefit Option

On-The-Job Accidental Death Benefits

- Who Are The Benefits Paid To
- Benefits Payable
- Accelerated Death Benefit
- Form to Complete (**KPERS-61 Employer's Report of Death**)

Continuation of Basic Group Life Insurance

- Conversion Rights
- Converting to an Individual Policy
- Completing the Life Conversion Form
- Portability

KPERS Disability

- Eligible Employees
- Military Service
- Disability Definition
- Applying for Disability
- Form to Complete (**KPERS-60 Employer's Report of Disability**)
- Social Security
- KPERS Claim Denial and Appeal Process
- Benefit Waiting Period
- Last Day on Payroll
- Rehabilitative Employment
- Rehabilitative Employment Benefits
- Disability Benefit Amount
- Other Features of the Disability Program
- Maximum Benefit Period
- Disability Benefit Ends

Optional Group Life Insurance

- How Much Coverage Can an Employee Apply For
- When Can a Member Enroll in Optional Insurance
- When Does Optional Group Life Insurance Become Effective
- Continuation of Optional Group Life Insurance upon termination
- Conversion Rights
- Converting insurance or porting insurance

Active Member Benefits

Basic Group Life Insurance

What Is Basic Group Life Insurance?

- Basic Group Life Insurance provides an insured death benefit for active KPERS members.

Who Is Covered By the Basic Group Life Insurance?

- All employees working in KPERS covered positions.
- Active employees participating in the Board of Regents Retirement plan.

What is The Amount of The Basic Group Life Insurance?

- The Basic Group Life Insurance is currently 150% of the higher of
 - A member's current annual rate of compensation which is the member's hourly times number of hours position requires or
 - The member's previous 12 months' of salary.

Who pays for the employee to have Basic Group Life Insurance?

- The entire cost of the Basic Group Life Insurance is paid by the employer.

Military Service

- Basic Group Life Insurance continues while employee is on active duty, at no cost to the employee.
- You will log into the employer web portal and provide an end date to the employee's record and using the drop down box choose military leave as the reason.
- You will enter "code 2" for the employee when completing your Employer Annual Report for the time he or she is on military leave and off the employer's payroll.
- When the employee returns from military leave, log into the employer web portal and submit an end date to the employee's military leave. You also need to submit an enrollment giving date member returned to your payroll from military leave.

Active Member Death Benefit

The following is paid upon the death of an active member.

- Beneficiary will receive the Basic Group Life Insurance in a lump sum.
- Beneficiary will receive the return of contributions and interest in a lump sum.

Surviving Spouse Benefit Option

- If the member's spouse is listed as the only primary beneficiary.
- Instead of receiving the return of contributions and interest, the spouse may receive a lifetime monthly benefit instead.

- If the member is eligible to retire at time of death, the spouse begins receiving a monthly benefit immediately.
- If the member was not eligible to retire at time of death, but had at least 10 years of service credit, the spouse will begin receiving a monthly benefit at the earliest time the member would have been eligible (even if the monthly benefit is a reduced benefit.)

On-The-Job Accidental Death Benefits

Benefits are paid in the following order of preference:

- Spouse, and if no spouse.
- Children up to age 18, or 23, if a full time student. If no children.
- To dependent parents.
- If no children or dependent parents, the following benefits are not payable.

The benefits payable are:

- A monthly benefit based on 50 percent of the member's final average salary. This monthly benefit is in lieu of the monthly surviving spouse benefit the spouse may be eligible to receive instead of return of contributions and interest.
- The monthly benefit will be offset by any Workers' Compensation. The minimum benefit after offset will be \$100.00.
- A \$50,000 lump-sum payment.
- The death benefits are service-connected and will be non-taxable.
- These benefits are in addition to the Basic Group Life Insurance and return of contributions and interest.

Accelerated Death Benefit

- Optional and Basic Group Life Insurance coverage provides an "accelerated death benefit."
- If an employee is diagnosed as terminally ill with a life expectancy of 12 months or less,
- The employee may be able to receive up to 100 percent of their life insurance instead of having the death benefit paid to their beneficiary.
- An employee can choose to accelerate all or part of their benefit.
- Any remaining coverage stays in effect as long as they are a Retirement System member and pay the associated premiums with Optional Group Life Insurance.
- The remaining death benefit will be paid to the employee's beneficiary.

Steps in the Accelerated Death Benefit Process

- An employee notifies you if they wish to apply for the accelerated death benefit.
- Download the form "Notice of Claim for Accelerated Benefit" at www.kpers.org.
- The employee completes Part 2 and gives the form to his or her physician.
- The Physician completes Part 3 and sends the form to the Minnesota Life Topeka Branch Office along with supporting medical records.

- The Minnesota Life Topeka Branch Office will notify KPERS via e-mail.
- If the claim is approved, Minnesota Life will contact the employee to determine how much of the coverage is to be accelerated, and arrange for payment.
- If the claim is denied, the employee and KPERS will be notified in writing.
- Continue deducting Optional Group Life Insurance until you are notified that the claim has been paid.

If an active member dies, please complete a **KPERS-61 (Employer's Report of Death)**

■ Part A – Employee Information	
1. Employee is covered by: <input checked="" type="checkbox"/> KPERS <input type="checkbox"/> Retirement System for Judges <input type="checkbox"/> Board of Regents Retirement <input type="checkbox"/> Elected Official Not in KPERS	
2. Social Security Number: <u>111 - 22 - 3333</u>	3. Name (First, MI, Last): <u>John Doe</u>
4. Mailing Address: <u>611 S Kansas Avenue</u> City, State, Zip: <u>Topeka Kansas 66603</u>	5. Date of Birth: <u>06 / 10 / 1967</u>
6. Membership Date: <u>09 / 10 / 1998</u>	7. Last Day Physically at Work: <u>07 / 10 / 2009</u>
8. Last Day on Payroll: <u>07 / 10 / 2009</u>	9. If there is a break between the last day at work and the last day on the payroll, briefly explain. _____
10. Date of Death: <u>07 / 10 / 2009</u>	
11. If the death was the result of an accident arising out of, and in the course of, the employee's actual performance of duty with the employer, briefly describe what the employee was doing and how the accident happened. The incident must have been independent of all other causes and not as the result of a willfully negligent or intentional act of the employee. _____	

Part A

1. Check the box that corresponds to the Retirement System the employee is a member.
2. Enter the employee's social security number
3. Enter the employee's name
4. Enter the employee's mailing address
5. Enter the employee's date of birth
6. Enter the employee's membership date. You can view the employee's membership date using
 - a. View the employee's information on the employer portal from the employee section on the employer web portal
 - b. The employee's annual statement will give their membership date.
 - c. Call or e-mail the KPERS office.
7. The last day the employee was physically at work.
8. Enter the last day for which the employee was compensated, including sick and annual leave. The last day on payroll cannot be later than the date of death.
9. If there is a break in service between last day physically at work and last day on payroll, please explain. For example (member was on vacation when passed away)
10. Enter the employee's date of death.
11. If the death was the result of a work related accident, briefly describe how the accident happened.

Part B – Compensation and Contribution Information

1. Total Compensation: \$ 38,200.00 earned in the 12-month period of 07 / 2008 (month/year) through 06 / 2009 (month/year). See instructions on page 2 to determine the 12-month period.
2. Current Annual Rate of Pay: \$ 39,520.00 See instructions on page 2.
3. If there is more than \$2,500 difference between the total compensation and the current annual rate of pay, briefly explain.

4. Dept. # (locals only)	5. Cont. type R=regular D=double T=triple	6. Year certified	7. Employee contributions (since last annual report)	8. Begin date (MM DD YY)	9. End date (MM DD YY)
---	<u>R</u>	<u>2009</u>	\$ <u>764.00</u> . ---	<u> / /</u>	<u>07 / 20 / 09</u>
---	---	---	\$ --- . ---	<u> / /</u>	<u> / /</u>
---	---	---	\$ --- . ---	<u> / /</u>	<u> / /</u>

10. List any contribution amounts included in #7 that were withheld from lump-sum payments of the following (enter "0" if no contributions were withheld):

Sick Leave: \$ <u>0.00</u>	Annual Leave: \$ <u>0.00</u>
Comp Time: \$ <u>0.00</u>	Other, please explain: _____

Part B

1. Total compensation earned in a 12 month period. (Date of death was July 10, 2009. Report monies beginning July 1, 2008 through June 30, 2009.)
2. Report current annual rate of pay. Member worked 40 hours a week. Take 2080 hours times employee's hourly rate. (2080 X \$19.00 = \$39,500.00.)
3. If there is a difference of more than \$2,500 between number 1 and 2, please explain why there is a difference.
4. Employee's department number (if applicable)
5. Mark R to report the employee's regular contributions. If member was in a purchase of service by payroll deduction, please mark D for modified double deduction and T for modified triple deduction and report on separate lines.
6. Enter year you are certifying (for this example we are reporting year 2009).
7. Enter a begin date if member started working in current year you are reporting.
8. Enter the employee's contribution amount for year you are reporting.
9. Enter the employee's end date.
10. List any sick leave, annual leave, comp time or other if applicable. Member may not use sick/annual or comp time if membership date is July 1, 1993 or after.

■ Part C – Employer Certification

1. Employer: Test Agency 2. Employer Number: 0777-1

Designated Agent Signature: _____ Month/Day/Year: ____/____/____

State Agencies Only – Department of Administration Authorized Signature: _____

Part C

1. Enter your employer name
2. Enter your employer identification number
3. The designated agent must sign the form and date the form

For State Agencies Only

The agency official authorized to commit agency funds should sign here on this blank.

Continuation of Life Insurance after Member Terminates Employment

A member may continue life insurance coverage after terminating employment by:

- Converting their coverage
- Porting their coverage

The conversion form and portability form is on our website at www.kpers.org/forms.

Conversion Rights

Kansas law requires that employees who have conversion rights under a group life insurance policy be given notice of that right at least 15 days before the policy expires. If notice is not given in that time period, employees have until 15 days after given notice, or 60 days after the conversion period in which the policy expires, whichever occurs first, to convert their coverage.

Converting to an Individual Policy

Employees can convert their coverage to an individual policy within 31 days from the last date on the payroll.

- Their coverage will change from term insurance to a **whole life policy**.
- Employees can convert up to the full amount of their current insurance coverage without proof of good health, but they cannot convert anymore than they already have.

Completing the Life Conversion Form

The employee fills in his or her personal information in the section “To Be Completed by Member” of the conversion form. *The conversion form will not be accepted without the employee’s signature and the first premium payment.*

You must fill in the employee’s information about:

- Last day on payroll.
- Current annual salary. If employment was less than a year, report what the employee would have made for the year.
- Basic group life insurance (annual salary times 150 percent).
- Optional Group Life Insurance

Please complete all information on the conversion form, including all dates. Forward the form to Minnesota Life for processing.

Portability (Porting life insurance)

Employees have a “portability” feature for their life insurance coverage.

- Portability allows employees to continue their current basic and optional group life insurance coverage as **term** insurance.
- Portable group term life insurance provides a more limited benefit than whole life insurance.
- The cost is generally less expensive.
- Employees can “port” their coverage within 31 days of ending employment.

- All employees who are under age 70 may port their coverage.
- Employees do not have to provide proof of good health.
- Employees are not eligible to continue coverage if they were not actively at work due to sickness or injury on the date their coverage ends.
- The coverage reduces to 65 percent at age 65.
- Coverage ends at age 70.
- Premiums increase as the employee gets older.
- A Minnesota Life Portability Election form must be completed.

KPERS Disability

The KPERS long-term disability plan provides financial protection by replacing a portion of the member's income if he or she is disabled for a prolonged period as the result of injury or sickness.

Eligible Employees

- Currently active members of KPERS.
- Employees of an educational institution under the Kansas Board of Regents (K.S.A. 74-4927(a)).
- Eligible employees of the University of Kansas Hospital Authority.
- Elected Officials of the Legislature.

Military Service

- There is no disability coverage during military leave.
- Refer to Designated Agent memo dated May 11, 2004.

Disability Definition

The member is disabled when, on the date of disability, he or she meets the following definition of total disability:

- **Own Occupation Period** – For the first 24 months for which benefits are paid, the member is unable to perform the material and substantial duties (duties that are normally required to perform the member's regular occupation and cannot be reasonably omitted or modified.) of his or her regular occupation due to sickness or injury.
- **Any Occupation Period** – After benefits have been paid for 24 months, the member is unable to perform the material and substantial duties of any gainful occupation due to sickness or injury.

Applying for Disability

KPERS will notify DCG (our service provider) when KPERS receives written notice (KPERS-60 Employer's Report of a Disability) of a claim. DCG will then send the required forms to the member for filing proof of total disability.

Proof of total disability must include:

- The date the disability began.
- Appropriate documentation of the disability.
- Appropriate documentation of earnings.
- The name and address of any hospital or medical facility where the member received treatment.
- The names and addresses of all physicians providing regular care or specialty care.

If an active member leaves and applies for disability, please complete a **KPERS-60 form**

■ Part A – Employee Information			
1. Employee is covered by:			
<input checked="" type="checkbox"/> KPERS <input type="checkbox"/> Retirement System for Judges <input type="checkbox"/> Board of Regents Retirement <input type="checkbox"/> Elected Official Not in KPERS			
2. Social Security Number: <u>111 - 55 - 9999</u>		3. Name (First, MI, Last): <u>Jane Doe</u>	
4. Mailing Address: <u>611 S Kansas Avenue</u>		5. Date of Birth: <u>06 / 19 / 1955</u>	
City, State, Zip: <u>Topeka Kansas</u>		6. Telephone Number: <u>(785) 296-6666</u>	
7. E-mail Address: <u>jdoe@kpers.org</u>		8. Membership Date: <u>04 / 01 / 1990</u>	
9. Last Day Physically at Work: <u>07 / 15 / 2009</u>		10. Last Day on Payroll: <u> / / </u>	
11. Total Compensation: \$ <u>29,500.00</u> earned in the 12-month period of <u>07 / 2008</u> (month/year) through <u>06 / 2009</u> (month/year). See instructions on page 2 to determine the 12-month period.			
12. Current Annual Rate of Pay: \$ <u>30,000.00</u>			
13. If there is more than \$2,500 difference between the total compensation and the current annual rate of pay, briefly explain.			

Part A

1. Check the Retirement System the employee has membership in.
2. Enter the employee's social security number.
3. Enter the employee's name.
4. Enter the employee's address
5. Enter the employee's date of birth
6. Enter the telephone number
7. Enter the employee's e-mail address
8. Enter the employees membership date. You can view the employee's membership date using
 - a. View the employee's information on the employer portal from the employee section on the employer web portal
 - b. The employee's annual statement will give their membership date.
 - c. Call or e-mail the KPERS office.
9. Enter the employee's last day physically at work.
10. Enter the employee's last day on payroll. If the employee is still on the payroll using sick leave and/or vacation leave, please put still on payroll.
11. Total compensation earned in a 12 month period. (Date of death was July 10, 2009. Report monies beginning July 1, 2008 through June 30, 2009.)
12. Report current annual rate of pay. Member worked 40 hours a week. Take 2080 hours times employee's hourly rate. (2080 X \$19.00 = \$39,500.00.)
13. If there is a difference of more than \$2,500 between number 1 and 2, please explain.

■ Part B – Other Disability Benefits

1. Has workers' compensation been filed? Yes No
2. Did employee have other employment? Yes No
3. Is employee covered by any other employer-sponsored disability benefits? Yes No
4. If you answered "yes" to #1 or #3, provide name and telephone number of the benefit provider.

Benefit Provider: _____ Telephone Number: (____) _____

Part B

1. Has workers compensation been filed?
2. Did employee have other employment?
3. Is employee covered by any other employee sponsored disability benefit? For example other disability benefits (not KPERS) the employee may have from any other source by reason on employment.
4. If you answered yes to #1 or #3, list benefit provider and telephone number.

■ Part C – Employer Certification

1. Employer: Test Agency
2. Employer Number: _____

"If applicable, I understand I must provide the named employee with an Optional Group Life Insurance Continuation form when the employee leaves the payroll."

Designated Agent Signature: _____ Month/Day/Year: ____/____/____

Part C

1. Enter your employer name
2. Enter your KPERS 4 digit employer number (not your federal ID number).

**The designated agent signature or additional signer must sign and date the form.

Social Security

Members applying for KPERS disability must do the following:

- Members must apply for Social Security Disability and complete any appeals process.
- If the member is denied by Social Security, this does not automatically mean that the member will be denied KPERS disability.
- If approved for KPERS disability and Social Security disability, KPERS will offset the member's KPERS disability benefit by any (disability or normal Social Security) the member may receive.
- The member will receive at least \$100.00 a month from KPERS.

KPERS Claim Denial and Appeal Process

If the member's claim is denied, he or she will receive written notice of the denial. The notice will explain the reason for the denial. The member may request an administrative hearing.

Benefit Waiting Period

For approved claims, benefits will begin the later of:

- The date the member completes 180 continuous days of total disability or
- The date the member ceases to draw compensation from his or her employer.
- No benefits are paid during the 180 waiting period, and the member must be under the care of a physician during this period.
- If a member attempts to work for up to 30 days during the waiting period and again becomes totally disabled from the same cause, the waiting period will be extended by the number of days worked.

Last Day on Payroll

As long as the member is receiving a full day of pay based on the following, KPERS considers the member on the payroll.

- Regular pay
- Accumulated sick leave pay
- Accumulated vacation/annual leave pay
- Any combination of the above

Once the member is no longer receiving a full day of pay and has been off the payroll for ten days or more, the member will be considered no longer on the payroll for KPERS purposes. Enter an end date for this employee and use "leave of absence" as the reason code.

- The member may continue to receive workers' compensation pay or small accumulated payments for sick leave and vacation/annual leave, but do not deduct KPERS contributions from these payments. He or she does not earn participating service credit.

Rehabilitative Employment

Following a period of total disability, a member may qualify for disability benefits while engaging in rehabilitative employment.

- DCG will review the member's records to determine if vocational or rehabilitative services might help the member return to gainful employment.
- DCG will work with the member to develop a plan that best meets the member's needs.
- DCG will work with the member's physicians and other medical practitioners and vocational experts.

Once DCG determines that the member is a suitable candidate for rehabilitative services, participation is mandatory.

The rehabilitative plan includes:

- Coordination with the member's employer to assist him or her to return to work.
- Evaluation of adaptive equipment to allow the member to work.
- Vocational evaluation to determine how the member's disability may impact the member's employment options.
- Job placement services.
- Resume preparation and interview skills training.
- Job seeking skills training.
- Training for a new occupation.
- Assistance with relocation that may be part of an approved rehabilitation program.
- DCG reserves the right to make the final decision regarding the member's eligibility to take part in a rehabilitative plan.

If the member does not participate in a rehabilitative plan without good cause, the disability benefits will be terminated.

Rehabilitative Employment Benefits

During a period of approved rehabilitative employment, the member's monthly benefit payment will be reduced by disability earnings as following:

- Monthly benefits will be reduced by 50 percent of the member's disability earnings during the first 12 months of rehabilitative employment.
- Monthly benefits will be reduced by 75 percent of the member's disability earnings during the second 12 months of rehabilitative employment.
- The maximum benefit period for rehabilitative employment is 24 months.

Disability Benefit Amount

Once a member completes the waiting period, DCG will pay a monthly benefit as long as the member continues to be approved for disability benefits. The benefit amount will be:

- 60 percent of the member's current annual rate of compensation on the date the disability began.
- Paid in equal monthly payments.

- Reduced by any deductible income the member receives.
 - Social Security primary disability or retirement benefits.
 - Workers' compensation benefits.
 - Railroad Retirement Board disability or retirement benefits.
 - Other disability benefits from any other sources by reason of employment.
 - Earnings from any source of employment.
 - Earnings from eligible rehabilitative employment.
- Minimum benefit amount is \$100.00.
- Maximum benefit amount is \$5,000.00.

Other Features of the Disability Program

If approved, the following applies:

- The member will continue to accrue participating service credit.
- The member's final average salary is adjusted if the member is disabled at least five (5) years.
- The member will continue to have Basic Group Life Insurance coverage.
- Member may continue to have the Optional Group Life Insurance coverage by continuing to make premium payments at the same rates paid during active employment. A KPERS 79-C (Optional Group Life Insurance Continuation) form. The member will make premium payments to Minnesota Life Insurance.

Maximum Benefit Period

Disability payments will be paid monthly for as long as the member qualifies for benefits, but not to exceed the maximum benefit period as follows:

- If the disability benefit began before age 60, the period remaining to the member's 65th birthday or the date of member's retirement, whichever is first.
- If the disability benefit began on or after reaching age 60, the shorter of a period of five (5) years or the period remaining to the member's retirement.

In no event will benefits be paid

- For the first 180 days of continuous total disability (180-day waiting period)
- While the member continues to draw compensation from the employer.
- For any period beyond the date the member withdraws his or her contributions from KPERS.

Disability Benefit Ends

Benefit payments under KPERS will terminate if the member

- Is no longer disabled as defined in this plan.
- Reaches the end of the maximum benefit period.
- Fails to provide proof of continuing disability.
- Withdraws contributions from KPERS.
- Refuses to complete his or her responsibilities under a company-approved rehabilitation plan without good cause.
- Is not working to his or her capacity if participating in rehabilitative employment.
- Retires

Optional Group Life Insurance

How Much Coverage Can An Employee Apply For?

An employee can apply for as little as \$5,000 to the maximum of \$250,000.00.

When Can a Member Enroll in Optional Group Life Insurance?

- During a member's enrollment period within 30 days of the employee's hire date, the employee may choose up to \$50,000 of Optional Term Life Insurance coverage without answering any health questions.
- If the employee would like to coverage over \$50,000, the employee will need to provide proof of good health.

When Does The Optional Group Life Insurance Become Effective?

- For coverage of \$50,000, the date the member applies.
- Amounts over \$50,000 will become effective the date the member is approved.
- If, due to sickness or injury, the member is not actively at work on the Optional Term Life insurance effective date, the insurance will not become effective until the first day following the date of the member's return to active work.

Continuation of Life Insurance after Member Terminates Employment

A member may continue life insurance coverage after terminating employment by:

- Converting their coverage
- Porting their coverage

The conversion form and portability form is on our website at www.kpers.org/forms.

Conversion Rights

Kansas law requires that employees who have conversion rights under a group life insurance policy be given notice of that right at least 15 days before the policy expires. If notice is not given in that time period, employees have until 15 days after given notice, or 60 days after the conversion period in which the policy expires, whichever occurs first, to convert their coverage.

Converting to an Individual Policy

Employees can convert their coverage to an individual policy within 31 days from the last date on the payroll.

- Their coverage will change from term insurance to a **whole life policy**.
- Employees can convert up to the full amount of their current insurance coverage without proof of good health, but they cannot convert anymore than they already have.

Completing the Life Conversion Form

The employee fills in his or her personal information in the section "To Be Completed by Member" of the conversion form. *The conversion form will not be accepted without the employee's signature and the first premium payment.*

You must fill in the employee's information about:

- Last day on payroll.
- Current annual salary. If employment was less than a year, report what the employee would have made for the year.
- Basic group life insurance (annual salary times 150 percent).
- Optional Group Life Insurance

Please complete all information on the conversion form, including all dates. Forward the form to Minnesota Life for processing.

Portability (Porting life insurance)

Employees have a “portability” feature for their life insurance coverage.

- Portability allows employees to continue their current basic and optional group life insurance coverage as **term** insurance.
- Portable group term life insurance provides a more limited benefit than whole life insurance.
- The cost is generally less expensive.
- Employees can “port” their coverage within 31 days of ending employment.
- All employees who are under age 70 may continue all or a portion of the coverage.
- Employees do not have to provide proof of good health.
- Employees are not eligible to continue coverage if they were not actively at work due to sickness or injury on the date their coverage ends.
- The coverage reduces to 65 percent at age 65.
- Coverage ends at age 70.
- Premiums increase as the employee gets older.
- A Minnesota Life Portability Election form must be completed.