

State of California

M E M O R A N D U M

DATE: November 17, 1997

TO: PERSONNEL MANAGEMENT LIAISONS REFERENCE CODE: PML 97-040

THIS MEMORANDUM SHOULD BE DISTRIBUTED TO:

Personnel Officers
Personnel Transactions Supervisors
Personnel Transactions Staff
Accounting Officers

FROM: Department of Personnel Administration
Benefits Division

SUBJECT: Group Term Life Insurance and Long Term Disability (Non-Represented Employees)

CONTACT: Desi Rodrigues, Personnel Management Technician
(916) 324-0533, CALNET 454-0533
FAX: (916) 322-3769
OFFICE VISION: DPA(DXRODRIG)
INTERNET: DXRODRIG@SMTP.DPA.CA.GOV

This memorandum is to advise you of the annual age/salary updates which will be implemented by the State Controller's Office (SCO) effective January 1, 1998 for employees' enrolled in the life insurance and long term disability plan. These updates may result in premium changes for certain employees.

Basic Group Term Life Insurance

The life insurance policy states that once active employees reach age 70, their employer-paid life insurance benefits and premium will be reduced by 50% on January 1 of the following year. Employees who experienced an age change during the current year (1997) will have the State-paid premium reduced by 50% effective January 1, 1998 (i.e., December, 1997 pay period warrant).

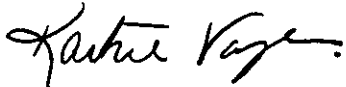
Supplemental Life Insurance

An annual age update will be executed by Metropolitan Life Insurance Company (MetLife) for employees enrolled in the supplemental life insurance plan. Since the supplemental monthly premium is based on an employee's age, an audit is conducted annually by MetLife to determine the new rates based on age changes. For example, an employee whose age changed from 49 to 50 during 1997 will now pay \$4.37 per \$10,000 coverage. MetLife will notify the SCO of any premium changes which will then become effective January 1, 1998 (i.e., December, 1997 pay period warrant).

Long Term Disability

On January 1 of each year, an annual age/salary update is conducted for all employees enrolled in the LTD plan. The State Controller's Office will audit the payroll history files to identify any employees who have experienced salary/age changes during the previous year that would result in them moving to the next higher age factor. Those employees that have changes to the next age factor (i.e., age 39 to 40, 49 to 50, etc.) will receive a monthly premium change effective January 1, 1998; this will be reflected on the December, 1997 pay period warrant.

If you have any questions regarding this memo, please contact Desi Rodrigues at (916) 324-0533 or Calnet 454-0533.



Kathie Vaughn, Chief
Benefits Division