

Life & Disability Insurance Benefits FAQs

Why are we making this change?

Public Utility District #1 of Chelan County is dedicated to providing you with a comprehensive benefits package to help ensure you're financially protected now and in the future. We make every effort to offer plans through providers who are among the best available. In keeping this commitment, we made the decision to switch carriers to The Hartford.

What is changing with our existing benefits?

Basic Life Insurance

Your Basic Life insurance of 1x your annual salary, up to \$400,000, and Accidental Death and Dismemberment insurance will remain the same and is still being offered to all benefit eligible employees at no charge.

Supplemental Life Insurance

During this special one-time open enrollment, held 11/13 – 12/8, any employee wishing to elect this coverage for the first time or increase their existing coverage can do so up to the guaranteed issue amount of \$250,000 **without having to submit medical underwriting information** (Evidence of Insurability or EOI).

- Employees can elect 1-4x salary with a \$700,000 benefit maximum (previous benefit maximum \$600,000). EOI is required for amounts over \$250,000.
- Employees no longer need to have Employee Supplemental Life coverage in order to add Spouse or Child coverage. This restriction has been removed.
- Spouse coverage is available up to \$30,000 without EOI and up to \$100,000, not to exceed 100% of employee's amount with EOI. *Note: Benefit eligible employees are not eligible to be covered as a spouse.*
- Child coverage of \$10,000 is available without EOI for dependents under age 26.

Why do I need life insurance?

There's no replacement for you and the contribution you make to your family. You want to make sure that people in your life, especially your dependents, can remain financially secure after you die. Bottom line: Life insurance financially protects your family and loved ones at a time when it is needed the most.

How do I know how much life insurance I need?

How much life insurance you need depends on your financial and family situation. Here are some questions you might consider when deciding how much you need.

- Do you have debts that would need to be paid off (like a car or a mortgage)?
- Do your loved ones depend on your income? If so, how much money would they need to cover daily living expenses and for how long? Do you need additional life insurance to cover future expenses?
- How much is in your 457 account? You may be able to reduce how much life insurance you need by the amount your loved ones would receive as beneficiaries. (Keep in mind that money paid from a 457 account to a beneficiary is subject to income taxes while life insurance paid to a beneficiary is not taxed.)

How often should I review my life insurance needs?

Because the financial needs of your loved ones change over time, you should take a look at your life insurance policy annually. Review your current coverage and take into consideration any major life events such as change of income or assets, marriage, divorce, retirement, the birth or adoption of a child, or purchase of a major item such as a house or business.

Can I change my beneficiary?

Yes, and enrollment season is the ideal time to remember to do this. You can also choose to have the payment evenly divided among beneficiaries. Avoid using dollar amounts since your coverage amount may change. Instead, use percentages and make sure the total allocation adds up to 100%.

What is Long Term-Disability?

Long-term disability provides income in place of your regular pay if you are sick or injured and unable to work due to a qualifying disability and begins after you are totally disabled for 180 consecutive days. It pays 60% or 66 2/3% of your eligible earnings depending on which coverage you have elected. This benefit is for non-occupational injuries.

All benefit eligible employees must enroll in either Option 1 or Option 2.

- **Option 1** offers a 60% benefit, up to \$5,000 per month (\$60,000 per year). The monthly cost is \$19.50.
- **Option 2** offers a 66.67% benefit up to \$7,500 per month (\$90,000 per year). The monthly cost is \$35.92.

Do I need to re-enroll?

All employees will be defaulted into **Option 1** if no action is taken during open enrollment, including those enrolled in the old option 2.

If you would like the added protection, be sure to opt into **Option 2** during open enrollment, which runs November 13 – December 8, 2023.

THE DISABILITY POLICY PROVIDES LIMITED BENEFITS. This limited benefit plan (1) does not constitute major medical coverage, and (2) does not satisfy the individual mandate of the Affordable Care Act (ACA) because the coverage does not meet the requirements of minimum essential coverage. In New York: This Disability policy provides disability income insurance only. It does NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Department of Financial Services. Disability Form Series includes GBD-1000, GBD-1200, or state equivalent.