



## **Open Enrollment Feb.10-24**

### **Voluntary Life Insurance and Long-term Disability**

### **One-time Open Enrollment Opportunity for Voluntary Life Insurance and Long-term Disability**

Understand your insurance options by reviewing this document carefully. If you need assistance, contact Employee Benefits at 480-323-4667 or email [employee.benefits@honorhealth.com](mailto:employee.benefits@honorhealth.com).

- If you're currently enrolled in any of these benefits, your coverage will continue if you do not make any changes.
- If you enroll or make any changes, your new coverage will begin on March 1, 2016, and your premium payroll deductions will begin with the March 11, 2016, paycheck.
- This is a one-time enrollment period, and these benefits will not be offered during future open enrollment periods without proof of good health, so make your selections now.

## Long-term Disability

Employees in a budgeted position of 32 hours or more per pay period, with one year of continuous benefit eligible service, are eligible for long-term disability. If you become disabled and cannot work, this benefit pays you 60 percent of your base salary (up to a maximum of \$15,000 per month) and begins after 180 days of disability. Your coverage is automatic, and HonorHealth pays the full cost of this benefit. Because HonorHealth is paying the premium, the pay you receive will be considered a taxable benefit.

## Supplemental Long-term Disability Buy-up

Supplemental long-term disability coverage is voluntary coverage that you can purchase to supplement your long-term disability insurance. Long-term disability buy-up coverage offers you an additional 6.67 percent of your base monthly salary, for a total of 66.67 percent, if you are disabled for more than 180 days.

You may purchase supplemental long-term disability coverage during this open enrollment period. The advantage to enrolling now is that you do not need to provide the customary evidence of insurability (proof of good health). Because you are paying the premium, the pay you receive will be tax-free income.

## Eligibility

To be eligible for the disability buy-up insurance, you must already be enrolled in the LTD insurance and you must be actively at work on March 1, 2016. If you have been continuously working for one year or longer in a budgeted position of 32 hours or more per pay period, you are eligible for the buy-up insurance.

## What does disability buy-up cost?

The cost of supplemental long-term disability coverage is 41 cents for each \$100 of your base annual salary. For example, an employee whose base annual salary is \$42,000 will pay \$7.18 per pay period.

## Here's how to compute your cost:

1. Divide your base annual salary by \$100.

*Example:  $\$42,000 / \$100 = \$420$*

Multiply the result by \$.41 to find the annual cost.

*Example:  $\$420 \times \$.41 = \$172.20$*

Divide the annual cost by 24 to find the per-pay-period cost.

*Example:  $\$172.20 / 24 = \$7.18$  per pay period*

## Basic Term Life Insurance

HonorHealth provides all non-management employees in a budgeted position of 32 hours or more per pay period a term life insurance policy equal to one times your annual salary, up to \$200,000 with a minimum of \$25,000.

Management employees in a budgeted position of 32 hours or more per pay period receive a policy equal to two times your annual salary, up to \$400,000.

## Voluntary Life Insurance

During the open enrollment period, you may enroll in additional voluntary life and accidental death and dismemberment insurance for yourself and your dependents. The benefit of enrolling now is that you do not need to provide proof of good health, unless electing coverage over the guarantee issue of \$500,000. When you purchase voluntary life insurance you are automatically enrolled in the accidental death and dismemberment benefit, which doubles your voluntary life benefit if your death is ruled accidental.

## Electing a Beneficiary

Now is a great time to update your beneficiary for your company paid and voluntary life insurance policies (any 403(b) beneficiary changes or elections must be done through Prudential). Please be sure to elect a beneficiary for these policies. The beneficiary elected for your company-paid policy will automatically be your beneficiary for your voluntary life insurance policy. You can change your beneficiary at any time through Staff Member Self Service. Please consult your tax advisor if electing a minor as a beneficiary.

## How much voluntary life insurance can I elect, and what is the cost?

### For Employees

You may purchase voluntary term life and accidental death and dismemberment insurance in addition to the benefit provided by HonorHealth in the following amounts:

One to five times your base annual salary, up to the guarantee issue of \$500,000. If you want to apply for additional coverage beyond the guaranteed issue (the amount the company says they will pay if you pay your premiums), you may do so at any time with proof of good health. Please contact Employee Benefits for more information on how to apply.

### For Dependents

You also may purchase coverage for your spouse/domestic partner and/or your dependent children who are unmarried and between the age of 14 days and 26 years.

**Please note: If your spouse, domestic partner or adult dependent child is also an employee of HonorHealth, you may not elect dependent coverage for each other.**

### Spouse/Dependent Coverage Options:

Spouse life coverage	Child life coverage
• \$10,000	• \$5,000
• \$20,000	• \$10,000
• \$30,000	
• \$40,000	
• \$50,000	

## Eligibility

Your dependent life insurance requires that your dependents are not currently hospitalized or disabled on the effective date of the coverage, March 1, 2016.

## Life Insurance Rate Sheet: Cost per \$1,000 of coverage, per pay period

Age	Employee Per \$1,000 of coverage	Spouse/Partner Per \$1,000 of coverage
Under 30	\$0.028	\$0.033
30-34	\$0.033	\$0.048
35-39	\$0.038	\$0.053
40-44	\$0.058	\$0.063
45-49	\$0.083	\$0.10
50-54	\$0.12	\$0.158
55-59	\$0.203	\$0.243
60-64	\$0.31	\$0.37
65-69	\$0.54	\$0.655
70+	\$0.96	\$0.655
Age	Dependent Child \$5,000	Dependent Child: \$10,000
14 days – up to 26 years	\$0.38	\$0.75

The cost for life insurance coverage is determined by your age and your election for you and your spouse/domestic partner. The life insurance benefit for you and your spouse/domestic partner will automatically decrease by 50 percent at age 70; 70 percent at age 75 and 80 percent at age 80. In addition, your dependent children coverage will end upon reaching age 26. You must contact Employee Benefits to dis-enroll children who are no longer eligible for the program due to age or marriage.

Below are examples of what your cost may be per pay period:

- If your base salary is \$50,000 per year, and you are 42 years old, your per pay period cost for a policy 2x your annual salary (or \$100,000) would be \$5.80
- If you elect a \$20,000 policy for your spouse/domestic partner, who is 42 years old, your per pay period cost will be \$1.26 per pay period.
- The dependent child life policies are a flat rate per pay period, regardless of the number of dependents you have.

If you have any questions on these benefits, please contact Employee Benefits during this **one-time** open enrollment via email at [employee.benefits@honorhealth.com](mailto:employee.benefits@honorhealth.com) or 480-323-4667.