

PEBA Update

Week ending January 2, 2015

PEBA Closed New Year's Day

The PEBA offices will be closed on Thursday, Jan. 1, 2015. We will reopen at 8:30 a.m. on Jan. 2.

Filing Life Insurance Claims with Minnesota Life

Minnesota Life will become PEBA's new life insurance vendor effective Jan. 1, 2015. As such, the processes for filing life insurance claims will change. In many cases, there will be less paperwork for employers to submit to have a claim paid. Please be sure to review the updated processes below. **Please note these processes apply only to deaths occurring on or after Jan. 1, 2015.**

When an Active Employee or His Dependent Dies

- The employer completes Minnesota Life's Notice of Death form
- The employer sends the completed form along with coverage verification and beneficiary designation information to Minnesota Life
- The employer can send the information to Minnesota Life via mail or fax
- The fax number for Minnesota Life's Claims Department is 651-665-7106
- The mailing address for Minnesota Life's Claims Department is:
P.O. Box 64114
St. Paul, MN 55164-0114
- Minnesota Life will send a condolence letter and beneficiary statement to the beneficiary
 - In the condolence letter Minnesota Life requests a certified death certificate
- Upon receipt of the completed beneficiary statement and certified death certificate, Minnesota Life will adjudicate the claim
 - If the claim is approved, payment will be made to the beneficiary
 - If the claim is denied, Minnesota Life will send a notification of denial to the beneficiary.

When a Retiree Dies

- The beneficiary, or the employer on his behalf, should notify Minnesota Life of the death by calling 888-658-0193
- Minnesota Life will send a condolence letter and beneficiary statement to the beneficiary
 - In the condolence letter Minnesota Life requests a certified death certificate
- Upon receipt of the completed beneficiary statement and certified death certificate, Minnesota Life will adjudicate the claim

- If the claim is approved, payment will be made to the beneficiary
- If the claim is denied, Minnesota Life will send a notification of denial to the beneficiary.

To Request Accelerated Benefits Due to a Terminal Illness

- The employee notifies the employer of his request for accelerated benefits
- The employer completes Part 1 (Employer's Statement) of Minnesota Life's Notice of Claim for Accelerated Benefit form, includes coverage verification and sends it to the employee
- The employee completes Part 2 (Claimant's Statement) and has his doctor complete Part 3 (Attending Physician's Statement) and sends the completed form to Minnesota Life
 - Any medical records should be attached to the Notice of Claim for Accelerated Benefit Form before it is sent to Minnesota Life
- Upon receipt of the completed Notice of Claim for Accelerated Benefit Form, Minnesota Life will adjudicate the claim
 - If the claim is approved, payment will be made to the employee
 - If the claim is denied, Minnesota Life will send a notification of denial to the employee.

Leave Without Pay Guidelines Changing

To comply with provisions of the Affordable Care Act, PEBA is changing how benefits are administered during Leave Without Pay. **Please be sure to read the Jan. 9 PEBA Update for details.**

Website Updates

Here are the latest updates to the PEBA Insurance Benefits website, www.eip.sc.gov.

Publications

- The **2014 Insurance Benefits Guide** (IBG) has been removed.
- The **Insurance Advantage** newsletters for the 2014 October enrollment have been removed. Program changes and updates for 2015 are included in the 2015 IBG.
- The **2015 When You Become Eligible for Medicare** handbook has replaced the 2014 version.
- The **2014 Health Plan Comparison Chart** has been removed.
- The **2014 Summaries of Benefits and Coverage** for the Standard Plan, Savings Plan, BlueChoice HealthPlan and MUSC Health Plan have been removed.
- The **Helping Employees Convert Life Insurance Coverage** flier has been removed.
- The **Continuation vs. Conversion** flier has been updated.

- The **2014 MoneyPlus Tax-Favored Accounts Guide** has been removed.

Forms

- These Minnesota Life forms have been added:
 - **Retiree Life Continuation Election**
 - **Notice of Accidental Dismemberment and Loss of Sight Claim**
 - **Notice of Death**
 - **Notice of Claim for Accelerated Benefit**
- These MetLife forms have been removed:
 - **Accidental Death and Dismemberment Claim Form**
 - **Life Insurance Claim Form**
 - **Accelerated Benefits Option Form**
 - **Absolute Assignment to Trust Form**
 - **Life Insurance Planner Worksheet**
 - **Notice of Group Life Insurance Conversion Privilege Form**
 - **Continuation of Group Optional Life Coverage Form**
 - **Beneficiary Designation Form.**
- The **2014 MoneyPlus Enrollment Form** has been removed.

Online Directories

- The **Contact Connection Directory** has been updated.

Presentations

- Videos of the 2014 BAW Conference presentations have been added.

Billing

- The **Billing Closeout Dates** document has been updated.

Links

- The link to the **Minnesota Life**, the administrator for the life insurance programs, has been added.

Dental Network Expanded, Resource Center Added

Dental Plus members now have access to more providers through an expanded national dental network. Both State Dental Plan and Dental Plus members can learn more about their dental health through a new Dental Resource Center.

Effective Jan. 1, 2015, Dental Plus members can use the GRID Plus network, which includes more than 229,000 providers nationwide. This will not affect South Carolina dentists who currently participate in the Dental Plus network.

Members whose dentists are outside South Carolina should confirm their dentists are in the GRID Plus network. If a member discovers his dentist is not included, he can nominate the dentist for the network. To do so, a member should:

- Log into My Health Toolkit
- Click on "Find a Doctor or Hospital"
- Complete the Participating Dental Provider Nomination Form.

State Dental Plan and Dental Plus members can use the Dental Resource Center at any time. Through the resource center, members can:

- Find a dentist
- Get dental health tips and learn more about dental care
- Use interactive tools to assess dental health risks, watch dental treatment and procedure animations and ask a dentist questions about dental health.

Members can go to the Dental Resource Center through links from StateSC.SouthCarolinaBlues.com or My Health Toolkit.

Don't Forget the Eligibility Audit

Your help is needed with the Dependent Eligibility Audit. Please encourage your employees to send their dependent eligibility documentation to PEBA Insurance Benefits. We are auditing the remaining employees of each group, and we will eventually get to yours. It will be easier on everyone if most of these employees complete the self-audit.

You can view a list of your employees who have not yet been audited on the "Weekly Dependent Eligibility Report" in EBS.

Ask your employees to gather the required documentation and complete the Dependent Verification Form (Self Audit). **Be sure to attach the form to the copies of the documents** before both are sent to PEBA Insurance Benefits. You may want your employees to send you the documentation first so you can verify they have everything they need before they submit it.

To cover a *spouse*, PEBA Insurance Benefits requires:

- A copy of the subscriber's marriage license

- **Either** page 1 of the subscriber's latest federal tax return with the financial information marked out **or** the Continuing Marriage Affidavit.

To cover a *stepchild*, PEBA Insurance Benefits requires:

- A copy of the subscriber's marriage license
- **Either** page 1 of the subscriber's latest federal tax return with the financial information marked out **or** the Continuing Marriage Affidavit
- The child's **long-form birth certificate**.

The Continuing Marriage Affidavit can be used instead of page 1 of the federal tax return. It is posted on the PEBA Insurance Benefits website under "Other Forms." The completed form must be notarized as proof that the subscriber and spouse are married.

PEBA Update

Week ending January 9, 2015

Guidelines for Administering Unpaid Leave

PEBA Insurance Benefits has changed the way benefits are administered during unpaid leave, previously referred to as Leave Without Pay (LWOP), to comply with provisions of the Affordable Care Act.

Please read this information before an employee goes on unpaid leave:

- If the employee who is going on unpaid leave is in a stability period, a reduction in hours (even to zero) does not make the employee ineligible for benefits. Benefits will continue and the employee cannot cancel coverage unless one of the following occurs:
 - The employee experiences a special eligibility situation. In this case, the BA should submit an NOE or SOC with supporting documentation.
 - The employee intends to enroll in coverage through the Health Insurance Marketplace. In this case, the BA should complete the Termination Due to Reduction of Hours or Unpaid Leave form. Check the box in the “Eligible Employee” section, sign and ask the employee to sign to show he will be enrolling through the Marketplace.
- **Remember, all ongoing employees are in a stability period.** This includes full-time permanent, full-time nonpermanent, variable-hour, part-time and seasonal employees. If an employee was employed from Oct. 4, 2013, to Oct. 3, 2014, and averaged at least 30 hours per week, he is in a stability period.
- If an employee is not an ongoing employee and he is not in a stability period, his reduction of hours will make him ineligible for coverage. He cannot continue coverage as an active employee. (LWOP coverage no longer exists for employees entering unpaid leave on or after Jan. 1, 2015.) When this occurs, the BA should submit the Termination Due to Reduction of Hours or Unpaid Leave and check the first box in the “Employee No Longer Eligible” section. The employee should be offered 18 months of COBRA continuation coverage and the option to convert his life insurance.
- Military leave will be handled a little differently, too. If an employee goes on military leave, he can continue his coverage or terminate his coverage.
 - If the employee wants to terminate all coverage, the Active Termination Form now has a box for military leave. The BA should attach a copy of the military orders.
 - If the employee wants to terminate health coverage due to gain of TRICARE, he can submit an NOE to drop health coverage. The reason on the NOE should be listed as “Gain of coverage” with a copy of the military orders attached.

To better understand the new process, please refer to the Unpaid Leave Quick Reference. When an employee goes on an unpaid leave, including military leave, please be sure to give him the Leave of Absence and Your Insurance Benefits notice. This replaces the **Leave Without Pay Notice for**

Subscribers. The **Leave Without Pay Form** should no longer be used. It has been removed from the PEBA Insurance Benefits website.

In addition, the 36-month COBRA Notice has been updated to state that employees who are called to active duty can have up to 36 months of COBRA coverage.

State ORP Open Enrollment has Begun

Open enrollment in the State Optional Retirement Program (State ORP) began Jan. 1 and continues to March 1, 2015.

During open enrollment, State ORP participants may change investment providers. State ORP participants with one to five years of State ORP participation may also make an irrevocable switch to the South Carolina Retirement System (SCRS).

Eligibility Audit Continues

Your help is needed with the Dependent Eligibility Audit. Please encourage your employees to send their dependent eligibility documentation to PEBA Insurance Benefits. We are auditing the remaining employees of each group, and we will eventually get to yours. It will be easier on everyone if most of these employees complete the self-audit.

You can view a list of your employees who have not yet been audited on the "Weekly Dependent Eligibility Report" in EBS.

Ask your employees to gather the required documentation and complete the Dependent Verification Form (Self Audit). **Be sure to attach the form to the copies of the documents** before both are sent to PEBA Insurance Benefits. You may want your employees to send you the documentation first so you can verify they have everything they need before they submit it.

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- The child's **long-form birth certificate**.

The Continuing Marriage Affidavit can be used instead of page 1 of the federal tax return. It is posted on the PEBA Insurance Benefits website under "Other Forms." The completed form must be notarized as proof that the subscriber and spouse are married.

PEBA Update

Week ending January 16, 2015

PEBA Closed for Martin Luther King Jr. Day

In commemoration of Martin Luther King Jr. Day, PEBA offices will be closed on Monday, Jan. 19. Our offices will reopen at 8:30 a.m. on Tuesday, Jan. 20.

Please Check Contact Information in EBS

With a new life insurance vendor on board, it is particularly important that the addresses and other contact information for all employers be accurate. Please ask your Authorizing Agent to log in to EBS and verify your group's information.

Help Us Spread the Word About Free Benefits!

PEBA is offering free benefits to subscribers to help them lead healthier lives in 2015. Please help us spread the word!

Among the free benefits for 2015 are the Preventive Worksite Screening, Generic Copay Waiver (formerly the Wellness Incentive Program) and the shingles vaccine.

The worksite screening includes fasting blood work, measurements of height, weight and blood pressure, lipid panels, and a personal health risk appraisal. This valuable benefit may show the individual is at risk for developing diseases such as hypertension, diabetes and anemia.

Now is the time to schedule a screening for your coworkers. To do so, fax this form to 803-737-0557. If you have questions, contact Elliott McElveen at EMcElveen@peba.sc.gov.

Regional screenings also are available.

This webpage offers more information about all of the benefits that are part of the "Free in '15" campaign. Please print and display these fliers in prominent places in your workplace, such as in breakrooms, hallways or bulletin boards. Here's to a healthier 2015!

- Free in '15
- Preventive Worksite Screening: This flier is a fillable PDF file in which you can enter your group's information prior to hosting a screening.
- Generic Copay Waiver
- Shingles vaccine

Here's How to Complete the Notice of Death

Dealing with claims as a result of the death of a coworker or a member of his family can be one of a benefits administrator's most difficult responsibilities. It can be particularly challenging when the BA is just getting acquainted with a new life insurance vendor. As the employer's representative, the BA starts by completing Minnesota Life's Notice of Death. The form is generally easy to understand. However, here are answers to some questions that may arise.

Please remember:

- **Minnesota Life does not have coverage or beneficiary information for active employees and their dependents.**
- **Claims should only be filed to Minnesota Life for deaths of employees or dependents that occur on or after Jan. 1, 2015.**

Please note: As shown below, the Notice of Death form has been updated.

Under **ADMINISTRATOR'S STATEMENT**, the employer is asked to attach a certified copy of the official death certificate to the Notice of Death. **Note: This is incorrect. Minnesota Life will request a certified death certificate from the beneficiary in the letter of condolence.**

PART 1 – EMPLOYEE INFORMATION

1. Employer/policyholder name – **This is South Carolina PEBA.**
2. Group ID number **(On the original version of the form, this box requested "Branch location/unit number (if applicable)" – Provide your PEBA Group ID number.**
3. Plan/policy number – **This number, 34407, is now on the Notice of Death form. Basic, Optional and Dependent Life have the same policy number.**

PART 2 – DECEASED EMPLOYEE (if enrollment cards are maintained in your office, attach a copy of the employee's card. WITHOUT A COMPLETED IRS FORM W-9 BY THE BENEFICIARY, THE BENEFICIARY MAY BE SUBJECT TO GOVERNMENT IMPOSED BACKUP WITHHOLDING ON INTEREST PAID. – Please attach a copy of the subscriber's Notice of Election, Summary of Enrollment or Summary of Change showing his coverage. You may ignore the request for the W-9 form.

4. Date employer's unit entered group insurance plan (mo/day/yr)—**This is the date Minnesota Life became the vendor, which was Jan. 1, 2015. If Minnesota Life was already the vendor when the employer began offering benefits through PEBA, list the date the employer joined the program.**
6. Address (street, city, state zip) and daytime telephone number of the beneficiary – **Provide whatever information you have and a copy of the form naming the beneficiary.**
7. Amount of insurance (if based on salary, complete salary information) – **List the amount of Basic Life and Optional Life, if any, separately.**

PART 3 – DECEASED DEPENDENT (if enrollment cards are maintained in your office, attach a copy of the employee's card. WITHOUT A COMPLETED IRS FORM W-9 BY THE BENEFICIARY, THE BENEFICIARY MAY BE SUBJECT TO GOVERNMENT IMPOSED BACKUP WITHHOLDING ON INTEREST PAID. – See the section above under "DECEASED EMPLOYEE."

3. Marital status of dependent – **Don't worry if you don't have this information. It won't prevent processing of the form.**

6. Duration of final illness or date dependent became confined to hospital or home – **If you don't have this information, you don't need to ask for it.**

After the Notice of Death is complete:

- Send the completed form along with coverage verification (an NOE, SOE or SOC) and beneficiary information to Minnesota Life
- The information can be sent to Minnesota Life via mail or fax
- The fax number for Minnesota Life's Claims Department is 651-665-7106
- The mailing address for Minnesota Life's Claims Department is: P.O. Box 64114, St. Paul, MN 55164-0114
- Minnesota Life will send a condolence letter and beneficiary statement to the beneficiary
 - In the condolence letter Minnesota Life requests a certified death certificate
- Upon receipt of the completed beneficiary statement and certified death certificate, Minnesota Life will adjudicate the claim
 - If the claim is approved, payment will be made to the beneficiary
 - If the claim is denied, Minnesota Life will send a notification of denial to the beneficiary.

If you have additional questions, please contact Minnesota Life at the claims number on the form, 888-658-7106.

Minnesota Life Offers Value Added Services

Minnesota Life Insurance Company, PEBA's new life insurance vendor, is offering additional benefits that include Travel Assistance Services, Legacy Planning Resources and Beneficiary Financial Counseling.

Travel Assistance Services is available to all active employees covered under group life insurance offered through PEBA. It may be used for personal or business travel 100 or more miles from home. Included is help replacing lost or stolen luggage, prescriptions or other critical items; medical or security evacuation; medically necessary repatriation; and repatriation of mortal remains.

For service terms and conditions and pre-trip information, go to www.LifeBenefits.com/travel or call 855-516-5433 in the U.S. and Canada. Elsewhere, call collect 415-484-4677.

Legacy Planning Resources is available to active employees and retirees and their families covered under group life insurance offered through PEBA. It provides information related to end-of-life planning that can be useful in preparing for one's own death or in dealing with the loss of loved one. These resources are available at LegacyPlanningResources.com.

Beneficiary Financial Counseling will be offered to beneficiaries of group life insurance who will receive proceeds of \$25,000 or more. The beneficiary has to option to participate in the program. Services are

provided by PricewaterhouseCoopers LLP and are designed to provide independent, objective financial counseling at a time when it is needed most.

More Information About ACA Coming Soon

PEBA is working to get answers to your questions about reporting under the Affordable Care Act. Processes should be finalized sometime in the spring, and we will share them with you in *PEBA Update*.

If you have an Affordable Care Act question not related to reporting, please check out the Affordable Care Act FAQs and ACA Reporting Quick Reference. These resources should help answer many of your questions.

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 - The employee experiences a special eligibility situation. In this case, the BA should submit an NOE or SOC with supporting documentation.
 - The employee intends to enroll in coverage through the Health Insurance Marketplace. In this case, the BA should complete the Termination Due to Reduction of Hours or Unpaid Leave form. **(The form has been recently updated. Please be sure the form you use has 1/15 as the revision date on the bottom left.)** Check the box in the “Eligible Employee” section, sign and ask the employee to sign to show he will be enrolling through the Marketplace.
- **Remember, all ongoing employees are in a stability period.** This includes full-time permanent, full-time nonpermanent, variable-hour, part-time and seasonal employees. If an employee was employed from Oct. 4, 2013, to Oct. 3, 2014, and averaged at least 30 hours per week, he is in a stability period.
- If an employee is not an ongoing employee and he is not in a stability period, his reduction of hours will make him ineligible for coverage. He cannot continue coverage as an active employee. (LWOP coverage no longer exists for employees entering unpaid leave on or after Jan. 1, 2015.) When this occurs, the BA should submit the Termination Due to Reduction of Hours or Unpaid Leave and check the first box in the “Employee No Longer Eligible” section. The employee should be offered 18 months of COBRA continuation coverage and the option to convert his life insurance.

- Military leave will be handled a little differently, too. If an employee goes on military leave, he can continue his coverage or terminate his coverage.
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In addition, the 36-month COBRA Notice has been updated to state that employees who are called to active duty can have up to 36 months of COBRA coverage.

Remember the Eligibility Audit

Your help is needed with the Dependent Eligibility Audit. Please encourage your employees to send their dependent eligibility documentation to PEBA Insurance Benefits. We are auditing the remaining employees of each group, and we will eventually get to yours. It will be easier on everyone if most of these employees complete the self-audit.

You can view a list of your employees who have not yet been audited on the "Weekly Dependent Eligibility Report" in EBS.

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- **Either** page 1 of the subscriber's latest federal tax return with the financial information marked out **or** the Continuing Marriage Affidavit.

To cover a *stepchild*, PEBA Insurance Benefits requires:

- A copy of the subscriber's marriage license
- **Either** page 1 of the subscriber's latest federal tax return with the financial information marked out **or** the Continuing Marriage Affidavit
- The child's **long-form birth certificate**.

The Continuing Marriage Affidavit can be used instead of page 1 of the federal tax return. It is posted on the PEBA Insurance Benefits website under "Other Forms." The completed form must be notarized as proof that the subscriber and spouse are married.

PEBA Update

Week ending January 23, 2015

Information About Health Care Reporting

Under the Affordable Care Act, the IRS now requires information regarding health coverage to be included on individuals' tax returns. Many subscribers are asking if they will receive documentation from PEBA about the coverage they had in 2014.

Some things to remember:

- All individuals who file a 2014 tax return have to show they were enrolled in minimum essential coverage for 2014. Coverage offered through PEBA is minimum essential coverage. If an individual and his dependents all had minimum essential coverage for all of 2014, he will indicate it on his 2014 tax return by checking a box on his 1040, 1040A or 1040EZ form showing "Full-year coverage." No further action or documentation is required.
- Some individuals who were enrolled in a health plan offered through the Health Insurance Marketplace in 2014 are receiving 1095-A forms. **The federal government is mailing these forms only to individuals who received a federal premium subsidy for that plan.** Information on the form will be needed for those individuals to fill out their tax return. Individuals who are enrolled in an employer-sponsored health plan, such as the State Health Plan or BlueChoice HealthPlan, do not receive a federal premium subsidy and will not receive a 1095-A form.
- Because the employer mandate was delayed, neither employers nor PEBA have to send notices to individuals about the coverage they had in 2014. This will change in 2016, when employers and PEBA will be required to send notices regarding health coverage individuals had in 2015. Some information regarding reporting requirements can be found in the Affordable Care Act FAQs. Other information will be provided later this year after the IRS issues final instructions.

More information about the tax provisions can be found at www.irs.gov/aca.

Encourage Members to Sign Up for a Screening

If you are in the Upstate, encourage your coworkers to sign up for the Greenville Regional Screening, which will be Jan. 29 at Roper Mountain Science Center. Registrations will be accepted by email until Jan. 27. To register, members should send their name and phone number to ericwpatch@gmail.com.

Other Regional Screenings are scheduled throughout the year.

The worksite screening is among the preventive benefits that will be offered **at no charge** in 2015. It includes fasting blood work, measurements of height, weight and blood pressure, lipid panels, and a personal health risk appraisal. This valuable benefit may show the individual is at risk for developing diseases such as hypertension, diabetes and anemia.

The best way to help your coworkers lead healthier lives through this benefit is to schedule a Preventive Worksite Screening at your place of employment. To do so, fax this form to 803-737-0557. If you have questions, contact Elliott McElveen at EMcElveen@peba.sc.gov.

PEBA Still Needs Help with Audit

Your help is needed with the Dependent Eligibility Audit. Please encourage your employees to send their dependent eligibility documentation to PEBA Insurance Benefits. We are auditing the remaining employees of each group, and we will eventually get to yours. It will be easier on everyone if most of these employees complete the self-audit.

You can view a list of your employees who have not yet been audited on the "Weekly Dependent Eligibility Report" in EBS.

Ask your employees to gather the required documentation and complete the Dependent Verification Form (Self Audit). **Be sure to attach the form to the copies of the documents** before both are sent to PEBA Insurance Benefits. You may want your employees to send you the documentation first so you can verify they have everything they need before they submit it.

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To cover a *stepchild*, PEBA Insurance Benefits requires:

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- **Either** page 1 of the subscriber's latest federal tax return with the financial information marked out **or** the Continuing Marriage Affidavit
- The child's **long-form birth certificate**.

The Continuing Marriage Affidavit can be used instead of page 1 of the federal tax return. It is posted on the PEBA Insurance Benefits website under "Other Forms." The completed form must be notarized as proof that the subscriber and spouse are married.

PEBA Update

Week ending January 30, 2015

PEBA Direct is on the Way

You will receive a copy of *PEBA Direct*, PEBA's online publication for subscribers, the week of Feb. 2. It contains helpful information, and we hope you will pass it along to the employees and retirees with whom you work. Thanks for your help.

Here's How to Help Employees Keep Life in Retirement

Reaching a milestone like retirement is a good time for your coworkers to look at their insurance and determine what they need. Through Minnesota Life Insurance Company, retiring employees can continue Optional life insurance, which is term life insurance, or convert all or part of it to an individual whole life insurance policy.

Here's how they do it:

A handy reference is the continuation and conversion flyer, which is part of the retiree packet you, as a BA, give them. It includes a chart that gives examples of premiums for each \$10,000 of insurance based on the individual's age and whether he continues or converts coverage.

Please note:

- A completed PEBA Coverage Verification Notice of Group Life Insurance must accompany a request for continuation or conversion. It is available under "Forms" behind the BA login.
- Accidental Death and Dismemberment coverage may not be continued or converted.
- Coverage may be split between term life insurance (continuation) and individual whole life insurance (conversion).
- Retirees who keep their life insurance pay premiums directly to Minnesota Life.
- Retirees have access to the LifeBenefits website where they can manage beneficiary designations and view coverage information.

Continuation

If an individual is eligible for retiree insurance, he may be able to **continue** his current amount of term life insurance coverage, without providing evidence of insurability, in increments of \$10,000. To continue coverage, he must complete the Retiree Life Continuation Election form. (Please remind him to include his Benefits ID Number). The form is on the PEBA Insurance Benefits website, www.eip.sc.gov.

Please note: Minnesota Life must receive a completed application, including verification of group life insurance, within **31 days** of the date coverage is lost due to approved retirement or approved disability retirement.

For more information about continuing term life insurance coverage, contact Minnesota Life at 866-365-2374.

Conversion

If an employee's Basic, Optional or Dependent life insurance ends because his employment or eligibility for coverage ends, he may apply to convert coverage to an *individual whole life insurance* policy, a permanent form of life insurance, without providing evidence of insurability.

To apply for a conversion policy, an individual should **contact Minnesota Life at 866-365-2374**. Minnesota Life will review the conversion option with him and will provide a Conversion of Group Life Insurance Enrollment Form. The form should be completed and mailed to Minnesota Life with a PEBA Coverage Verification Notice of Group Life Insurance (be sure the employee includes his BIN) and the first premium payment.

Remind your employee of these rules:

- An individual may not apply for more than the amount of life insurance he had under his terminated group life insurance.
- New premiums for the conversion policy are based on the amount of coverage the individual wishes to convert and his age.

The forms must be received by Minnesota Life within 31 days of the date the new retiree's group life insurance coverage ends.

How Age Affects Coverage

Age 74 is the maximum age at which Optional Life insurance can be continued.

Continued coverage is reduced to 65 percent at **age 70**. The amount of coverage that is lost may be converted.

At **age 75**, continued coverage ends. However, coverage can be converted to an individual whole life policy. Premiums for a converted policy are based on an individual's age and the amount of life insurance he converts.

Important Definitions

Continued life insurance is **term life insurance**. It provides coverage for a specific period of time and has no cash value.

Converted life insurance is **individual whole life insurance**. It is a permanent form of life insurance.

Children May Now Have Life Insurance from Live Birth

Newborns may now be covered by life insurance from live birth. However, the subscriber must still submit a Notice of Election form adding the child to his coverage within 31 days of birth, even if he already has Dependent Life-Child insurance.

PEBA Needs Your Help with Eligibility Audit

Your help is needed with the Dependent Eligibility Audit. Please encourage your employees to send their dependent eligibility documentation to PEBA Insurance Benefits. We are auditing the remaining employees of each group, and we will eventually get to yours. It will be easier on everyone if most of these employees complete the self-audit.

You can view a list of your employees who have not yet been audited on the "Weekly Dependent Eligibility Report" in EBS.

Ask your employees to gather the required documentation and complete the Self-Audit Dependent Verification Form. **Be sure to attach the form to the copies of the documents** before both are sent to PEBA Insurance Benefits. You may want your employees to send you the documentation first so you can verify they have everything they need before they submit it.

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- **Either** page 1 of the subscriber's latest federal tax return with the financial information marked out **or** the Continuing Marriage Affidavit
- The child's **long-form birth certificate**.

The Continuing Marriage Affidavit can be used instead of page 1 of the federal tax return. It is posted on the PEBA Insurance Benefits website under "Other Forms." The completed form must be notarized as proof that the subscriber and spouse are married.