

Life and AD&D Insurance Policy

PURPOSE

To provide life and accidental death and dismemberment insurance benefit to our Grand Traverse County employees. This plan is an employer-funded group term insurance plan. Coverage for employees' spouse or dependent children is not available. There is no cash value and no medical exam is required.

POLICY & PROCEDURE

Eligibility and Enrollment

As defined by the insurance policy, regular status employees working a minimum of 15 hours per week shall be eligible for Life and Accidental Death and Dismemberment Insurance, effective the first day following six months of employment as an active member or FTE status qualifies. Enrollment is automatic.

Benefit Coverage

New hires or when an employee's FTE status qualifies will be provided a death benefit in the amount of the greater of one times annual base salary (rounded up to the next \$1,000) or \$20,000. You may NOT enroll at the time of life changing event change, as with other insurances.

The benefit terminates on the employee's last day of active employment or transfers to ineligible status. Coverage may be converted into a private policy upon termination of employment.

Tax Considerations

Federal tax laws state that \$50,000 of group life insurance protections is not subject to taxes. Amounts in excess of \$50,000 are taxable. The government assigns a value to these amounts and the value is added to your W-2 earnings based on your age as of the end of a calendar year.

Note: This policy may differ for those employees who are members of recognized unions, organizations, or associations. Any questions related to the content of this policy, or its interpretation, should be directed to Human Resources.

Approved Policy 4/1992, Amended 7/1999, 7/2019