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SR82070 Requirements Life Insurance Maximums - Messages

Objective:

The objective of this request is to make sure the correct coverage amount is displayed for Supplemental Life Insurance and Senior Management Life Insurance and to display the name “Senior Management Life Insurance” instead of “Executive Life Insurance” on the IDOC. This change will impact the following:

- Supplemental Life Insurance coverage amount displayed on the IDOC Summary of UC Benefits Enrollment
- Supplemental Life Insurance coverage amount displayed on the direct deposit advice.
- Senior Management Life Insurance coverage amount and insurance plan name displayed on the IDOC Summary of UC Benefits Enrollment

Project Type:

This involves modifications to existing PPS programs.

Requested by:

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Due Date(s):

The requested modifications are non-urgent.

Contents

Background.....	3
Current Process:	3
Proposed Process:	4
Requirements	5
1.0 IDOC Summary of UC Benefits Enrollment	5
1.1 Supplemental Life Insurance	5
1.1.1 Salary Base of Over 250.....	5
1.1.2 Salary Base of 250 or Less	6
1.2 Senior Management Life Insurance.....	6
2.0 Direct Deposit Advice	7
2.1 Supplemental Life Insurance.....	7
Attachment A – IDOC – Supplemental Life Insurance Display Examples	8
Attachment B – Direct Deposit Statement	9

Background

Eligible employees may supplement their Basic Life coverage by enrolling in the Supplemental Life Insurance plan and paying monthly premiums. Employees who qualify can choose the amount of coverage that meets their needs, up to the limits noted below.

Employees may choose one of these Supplemental Life Insurance coverage amounts:

- \$20,000
- One times their annual salary, up to \$250,000
- Two times their annual salary, up to \$500,000
- Three times their annual salary, up to \$750,000
- Four times their annual salary, up to \$1,000,000

Members of the Senior Management Group are eligible for University-Paid Senior Management Life Insurance (formerly known as Executive Life Insurance) as defined in the Senior Management Group Benefit Plans. The coverage amount is currently two times the employee's annual salary to a maximum of \$800,000.

The IDOC Summary of UC Benefits Enrollment displays coverage levels for employees who are enrolled in Supplemental Life Insurance and/or Senior Management Life Insurance.

The direct deposit advice displays the coverage amount for employee-paid Supplemental Life Insurance. Note: the image of the direct deposit advice is provided by campuses for display on the At Your Service web site (AYSO).

Campuses have identified employees whose annual salary exceeds the maximum coverage, so the statement referring to coverage related to annual salary is inaccurate.

In addition, the wording "Executive Life Insurance" is outdated. The current name is "Senior Management Life Insurance." This name change was effective 1/1/01 and is documented in the chronology of the Group Insurance Regulations on the At Your Service web site (http://atyourservice.ucop.edu/administrators/public/grp_ins_reg/0501-gir.html).

Current Process:

The IDOC Summary of UC Benefits Enrollment displays coverage levels for employees who are enrolled in Supplemental Life Insurance and/or Senior Management Life Insurance. If an employee participates in Supplemental Life, the plan type (1X, 2X, 3X or 4X annual salary) is displayed as follows: "Plan Type: X times your most recent January 1 Annual Salary Base" (where X = 1, 2, 3, or 4). The employee's Annual Salary Base is printed on the line below, for example, "Annual Salary Base: \$ 284,000.00."

For employees enrolled in the Supplemental Life Insurance plan with a "flat" coverage level of \$20,000, the correct coverage amount is already displayed on the IDOC, so no change is needed.

Only one plan type exists for Senior Management Life Insurance, so for an employee who is eligible for this benefit, and has not opted out, the following statement is printed: "You are participating in the Executive Life Insurance Plan for 2 times your most recent January 1 annual salary." For those employees who are eligible but have opted out, the following message prints: "You are eligible for Executive Life Insurance but have chosen not to participate."

Additionally, the direct deposit advice displays the coverage amount for employee-paid Supplemental Life Insurance. (Senior Management Life Insurance information is not displayed on these statements.)

The life insurance coverage amounts currently displayed on the IDOC Summary of UC Benefits Enrollment and direct deposit advice are misleading for employees whose life insurance salary base exceeds \$250,000. The maximum coverage amounts are not stated.

Proposed Process:

IDOC Summary of UC Benefits Enrollment

The text printed on the IDOC Summary of UC Benefits Enrollment regarding Supplemental Life Insurance and Senior Management Life Insurance should be modified as described below.

For employees whose annual salary base exceeds \$250,000 and who are enrolled in Supplemental Life at a coverage level of 1, 2, 3, or 4 times the annual salary, the **maximum coverage level** applicable to the employee (\$250,000, \$500,000, \$750,000 or \$1,000,000) should be displayed.

For employees whose annual salary base is less than or equal to \$250,000 and who are enrolled in Supplemental Life at a coverage level of 1, 2, 3, or 4 times the annual salary, the employee's **actual coverage level** should be displayed.

References to "Executive Life Insurance" on the IDOC should be changed to "Senior Management Life Insurance." If the employee is enrolled in Senior Management Life, the current text should be modified to include the maximum coverage amount as well as the updated name. The text should read: "You are participating in the Senior Management Life Insurance Plan for 2 times your most recent January 1 annual salary to a maximum of \$800,000." For those employees who are eligible but have opted out, the message should be changed to reflect the new name as follows: "You are eligible for Senior Management Life Insurance but have chosen not to participate."

Direct Deposit Advice

For employees whose annual salary base exceeds \$250,000 and who are enrolled in Supplemental Life for "1, 2, 3, or 4 times" coverage, the coverage amount displayed on the direct deposit advice should be modified. Rather than displaying a multiple of the current annual salary, a maximum limit of \$250,000, \$500,000, \$750,000, or \$1,000,000 (depending on the plan type) should be displayed.

Some campuses may have performed local modifications to produce their own unique version of the Direct Deposit Advice. If so, they will need to modify their code to meet the requirements articulated in this document.

Note: The paper check stub produced by the Base Payroll application when Sys-Param 144 is 0 (no direct deposit) does not show the insurance coverage amount, so no modifications are needed at this time.

When the changes in this request are implemented, this will in effect correct the online earnings statements available through the At Your Service web site, since these statements are actually the direct deposit advice statements produced by campus Payroll processing.

Requirements

1.0 IDOC Summary of UC Benefits Enrollment

1.1 Supplemental Life Insurance

1.1.1 Salary Base of Over 250

If the value of an employee's Supplemental Life Insurance Plan Code (EDB0276) is 1, 2, 3, or 4, and their Supplemental Life Insurance Salary Base (EDB0275) is over 250, then the text printed on the IDOC Summary of UC Benefits Enrollment should be modified as shown below. The text should reflect the **maximum coverage** based on the Plan Type, as follows:

For employees who have coverage = 1 times their annual salary:

- Old text: "1 times your most recent January 1 Annual Salary Base"
- New text: "1 times your most recent January 1 Annual Salary Base up to a plan maximum of \$250,000"

For employees who have coverage = 2 times their annual salary:

- Old text: "2 times your most recent January 1 Annual Salary Base"
- New text: "2 times your most recent January 1 Annual Salary Base up to a plan maximum of \$500,000"

For employees who have coverage = 3 times their annual salary:

- Old text: "3 times your most recent January 1 Annual Salary Base"
- New text: "3 times your most recent January 1 Annual Salary Base up to a plan maximum of \$750,000"

For employees who have coverage = 4 times their annual salary:

- Old text: "4 times your most recent January 1 Annual Salary Base"
- New text: "4 times your most recent January 1 Annual Salary Base up to a plan maximum of \$1,000,000"

The new text should follow the existing information that follows "Plan Type."

See Attachment A for examples of the entire Supplemental Life Insurance section of the IDOC Summary of UC Benefits Enrollment.

1.1.2 Salary Base of 250 or Less

If the value of an employee's Supplemental Life Insurance Plan Code (EDB0276) is 1, 2, 3, or 4, and their Supplemental Life Insurance Salary Base (EDB0275) is less than or equal to 250, then the text printed on the IDOC Summary of UC Benefits Enrollment should be modified to reflect their **actual coverage** as in the examples below:

Example 1 - Supplemental Life Insurance Salary Base is 250 and Supplemental Life Insurance Plan Code is 1:

- Old text:
"1 times your most recent January 1 Annual Salary Base"
- New text:
"1 times your most recent January 1 Annual Salary Base
for coverage of \$250,000"

Example 2 - Supplemental Life Insurance Salary Base is 250 and Supplemental Life Insurance Plan Code is 2:

- Old text:
"2 times your most recent January 1 Annual Salary Base"
- New text:
"2 times your most recent January 1 Annual Salary Base
for coverage of \$500,000"

Example 3 - Supplemental Life Insurance Salary Base is 240 (less than or equal to 250) and Supplemental Life Insurance Plan Code is 1:

- Old text:
"1 times your most recent January 1 Annual Salary Base"
- New text:
"1 times your most recent January 1 Annual Salary Base
for coverage of \$240,000"

Example 4 - Supplemental Life Insurance Salary Base is 80 (less than or equal to 250) and Supplemental Life Insurance Plan Code is 3:

- Old text:
"3 times your most recent January 1 Annual Salary Base"
- New text:
"3 times your most recent January 1 Annual Salary Base
for coverage of \$240,000"

The new text should follow the existing information that follows "Plan Type."

See Attachment A for examples of the entire Supplemental Life Insurance section of the IDOC Summary of UC Benefits Enrollment.

1.2 Senior Management Life Insurance

If the employee is enrolled in Senior Management Life, the current text statement should be modified to include the maximum coverage amount and to reflect the correct name. The text should read: "You are participating in the Senior Management Life Insurance Plan for 2 times

your most recent January 1 annual salary to a maximum of \$800,000.” Employees participating in Senior Management Life Insurance have an Executive Life Insurance Indicator (EDB0356) of 2.

For those employees who are eligible for Senior Management Life but have opted out, the message should be changed to reflect the new name as follows: “You are eligible for Senior Management Life Insurance but have chosen not to participate.”

2.0 Direct Deposit Advice

2.1 Supplemental Life Insurance

The Direct deposit advice¹ must be modified to display a maximum limit if an employee’s annual salary base exceeds \$250,000.

If the value of an employee’s Supplemental Life Insurance Plan Code (EDB0276) is 1, 2, 3, or 4, and their Supplemental Life Insurance Salary Base (EDB0275) is over 250, then the following should be displayed in place of their current coverage amount:

- If 1 times coverage, then display “\$250,000”
- If 2 times coverage, then display “\$500,000”
- If 3 times coverage, then display “\$750,000”
- If 4 times coverage, then display “\$1,000,000”

See Attachment B for an example of the Direct Deposit Statement.

¹ There are variants of the direct deposit advice based on Sys-Parm 144 values of 2, 3, or 4. All three variants display the coverage amount and will need to be modified.

Attachment A – IDOC – Supplemental Life Insurance Display Examples

Part 1: Supplemental Life Insurance Salary Base is over 250

Example of a section of the IDOC showing modified display where Supplemental Life Insurance Plan Code is 3:

Supplemental Life Insurance

Plan Type: 3 times your most recent January 1 Annual Salary Base
up to a maximum of \$ 750,000
Annual Salary Base: \$ 251,000.00
Coverage Effective Date: 01/09/00
Your monthly cost for this coverage is: \$ 644.45

Part 2: Supplemental Life Insurance Salary Base is less than or equal to 250

Example of a section of the IDOC showing modified display where Supplemental Life Insurance Salary Base is 50 and Supplemental Life Insurance Plan Code is 3:

Supplemental Life Insurance

Plan Type: 3 times your most recent January 1 Annual Salary Base
for coverage of \$ 150,000
Annual Salary Base: \$ 50,000.00
Coverage Effective Date: 01/09/00
Your monthly cost for this coverage is: \$ 14.55

Example of a section of the IDOC showing modified display where Supplemental Life Insurance Salary Base is 75 and Supplemental Life Insurance Plan Code is 1:

Supplemental Life Insurance

Plan Type: 1 times your most recent January 1 Annual Salary Base
for coverage of \$ 75,000
Annual Salary Base: \$ 75,000.00
Coverage Effective Date: 01/09/00
Your monthly cost for this coverage is: \$ 7.28

Attachment B – Direct Deposit Statement

Example of a section of the on-line earnings statement showing modified display:

	CURRENT EARNINGS/DED	CURRENT UNIV CONTRIBUTION	YEAR-TO-DATE EARNINGS/DED	DESCRIPTION	COVERAGE
INSURANCE					
Medical Insurance	1,836.00	269.20	11,020.80		Self
Dental Insurance		37.27		Delta Dental	Self
Vision Insurance		13.45		Vision Service	Self
Legal Insurance	9.17		55.02	ARAG Legal Plan	Self
Supplemental Life	1,096.00		6,576.00		\$500,000