



County of Los Angeles
Choices
SUMMARY PLAN DESCRIPTION

Effective January 1, 2014

Exclusions and Limitations for HMO and PPO Dental Plans

The dental plan options limit or exclude some dental treatments, services, and supplies. See your insurance carrier for information about items that are not eligible for reimbursement.

Need More Information?

If you have questions about the medical and dental plan choices, or need more information about what's covered, contact the insurance carrier directly. See page 51 for carrier contact information.

LIFE INSURANCE BENEFITS

Life insurance offers you and your family financial protection if you or a covered family member dies.

Basic Term Life Insurance

The County gives you basic term life insurance at no cost to you.

- *Safety Members of Retirement Plan A, B or C and General Members of Retirement Plan A, B, C, D, or G:* You are insured for \$2,000.
- *Members of Retirement Plan E:* You are insured for \$10,000.

Optional Group Term Life Insurance

When you are newly eligible for *Choices*, you may purchase optional group term life insurance at low monthly group rates, in amounts equal to 1, 2, 3, 4, 5, 6, 7, or 8 times your annual salary. If you buy optional group term life insurance for yourself, you may also buy a limited amount of life insurance for your spouse/domestic partner and dependent children. The monthly premium rates go up as your salary increases or as you reach the age brackets shown in the **Optional Group Term Life Monthly Rates** table on page 24.

Before-Tax/After-Tax Premiums for You

IRS rules say you can receive or buy up to \$50,000 worth of life insurance through *Choices* with *before-tax* dollars. So, if you need more than \$50,000 worth of life insurance, you will pay for the excess coverage with *after-tax* dollars (see the example below).

Example: Paying for optional group term life insurance with before-tax dollars

	Amount of Basic Life Insurance County Provides	IRS Maximum	Amount of Optional Life Insurance You May Buy with Before-Tax Dollars
Members of Retirement Plan E	\$10,000	\$50,000	\$40,000
Members of all other retirement plans	\$2,000	\$50,000	\$48,000

The cost of any life insurance over \$50,000 must be paid with after-tax dollars.

IMPORTANT NOTICE

The IRS places a \$50,000 limit on the total combined life insurance you can receive from the County and purchase for yourself on a tax-free basis. The cost of life insurance coverage over the \$50,000 limit is deducted from your paycheck after taxes. In addition, the difference between the approved IRS value of life insurance more than \$50,000 and your actual cost of insurance is treated as taxable income to you and reported on your Form W-2 as imputed income.

Calculating Your Monthly Premium

To calculate your monthly premium, take the cost information that applies to your age as of your participation date from the **Optional Group Term Life Monthly Rates** table below and follow the steps shown in the sample calculation. **Note:** The County pays 15 percent of the monthly premium. You pay the difference. The rates below are rounded to two decimal points for simplicity. Actual rates are three decimal points.

Optional Group Term Life Monthly Rates

Employee Age	Cost Per \$1,000 of Insurance*	85%
Under 30	\$18.50 \$.037	\$15.73
30-34	\$32.00 .064	\$27.20
35-39	\$36.00 .072	\$30.60
40-44	\$40.50 .081	\$34.43
45-49	\$60.00 .120	\$51.00
50-54	\$92.00 .184	\$78.20
55-59	\$173.00 .346	\$147.65
60-64	\$265.00 .530	\$225.25
65-69	\$378.00 .756	\$321.30
70 and older	\$727.00 1.454	\$617.45

*You only pay 85% of this cost because the County pays 15%.

After your new coverage takes effect, the County automatically adjusts your monthly premium cost as your age or salary changes.

Be sure that the life insurance coverage you elect meets your current needs. Each year at annual enrollment, you will have the opportunity to increase your coverage by one level, to a maximum of eight times your annual salary.

Example: If you elected coverage equal to one times your annual salary, at the next annual enrollment you will only be able to increase coverage to two times your annual salary. If you elected coverage equal to two times your annual salary, you will be able to increase it to three times your annual salary, etc.

Beneficiary Designation

When you designate a specific beneficiary (such as a child) and your personal circumstances change (such as marriage), your beneficiary remains the same as you originally designated unless you request a change. To designate a beneficiary, mail a completed *Request for Change of Beneficiary* card to CIGNA Life. The card is included in new hire packets, and you may request one from CIGNA Life at 800-842-6635. If you do not have a named beneficiary on file, the plan will pay out your life insurance benefit in the following order:

- 1) Your surviving spouse
- 2) Your surviving children
- 3) Your surviving parents
- 4) Your surviving siblings
- 5) Your estate.

Sample Calculation

Use the following example to calculate your monthly cost of coverage on a before-tax and after-tax basis.

You are 40 years old, you earn \$37,500 per year, and you choose coverage of two times your annual salary.

- ① Round your salary to the next highest \$1,000 if it is not an even multiple of \$1,000 (\$38,000)
- ② $\$38,000 \times 2 = \$76,000$
- ③ $\$76,000 \div \$1,000 = \$76$
- ④ $\$76 \times \$0.081 \times .85 = \$5.24$ your share of the monthly premium*

You are a member of Retirement Plan D; therefore, the total amount of coverage you can pay for with before-tax dollars is \$48,000.

- ⑤ $\$48,000 \div \$1,000 = \$48$
- ⑥ $\$48 \times \$0.081 \times .85 = \$3.31$ your monthly before-tax cost*

Your monthly after-tax cost is:

- ⑦ $\$5.24 - \$3.31 = \$1.93$ monthly after-tax cost*

*The County pays 15% of the monthly premium and you pay 85% of the premium. In addition, the difference between the IRS value of your life insurance over \$50,000 and your after-tax cost will be treated as additional or "imputed" taxable income to you.

OPTIONAL GROUP LIFE INSURANCE

YEAR	AGE	PER 1,000 MULTPLIER	ANNUAL BASE RATE	85% MONTHLY PREMIUM							
				1	2	3	4	5	6	7	8
2016	47	0.120	\$ 79,040.00	\$ 8.06	\$ 16.12	\$ 24.19	\$ 32.25	\$ 40.31	\$ 48.37	\$ 56.43	\$ 64.50
2017	48	0.120	81,411.20	8.30	16.61	24.91	33.22	41.52	49.82	58.13	66.43
2018	49	0.120	83,853.54	8.55	17.11	25.66	34.21	42.77	51.32	59.87	68.42
2019	50	0.184	86,369.14	13.51	27.02	40.52	54.03	67.54	81.05	94.56	108.07
2020	51	0.184	88,960.22	13.91	27.83	41.74	55.65	69.57	83.48	97.39	111.31
2021	52	0.184	91,629.02	14.33	28.66	42.99	57.32	71.65	85.98	100.32	114.65
2022	53	0.184	94,377.89	14.76	29.52	44.28	59.04	73.80	88.56	103.32	118.09
2023	54	0.184	97,209.23	15.20	30.41	45.61	60.81	76.02	91.22	106.42	121.63
2024	55	0.346	100,125.51	29.45	58.89	88.34	117.79	147.23	176.68	206.13	235.58
2025	56	0.346	103,129.27	30.33	60.66	90.99	121.32	151.65	181.98	212.31	242.64
2026	57	0.346	106,223.15	31.24	62.48	93.72	124.96	156.20	187.44	218.68	249.92
2027	58	0.346	109,409.85	32.18	64.35	96.53	128.71	160.89	193.06	225.24	257.42
2028	59	0.346	112,692.14	33.14	66.29	99.43	132.57	165.71	198.86	232.00	265.14
2029	60	0.530	116,072.90	52.29	104.58	156.87	209.16	261.45	313.75	366.04	418.33
2030	61	0.530	119,555.09	53.86	107.72	161.58	215.44	269.30	323.16	377.02	430.88
2031	62	0.530	123,141.74	55.48	110.95	166.43	221.90	277.38	332.85	388.33	443.80
2032	63	0.530	126,836.00	57.14	114.28	171.42	228.56	285.70	342.84	399.98	457.12
2033	64	0.530	130,641.08	58.85	117.71	176.56	235.42	294.27	353.12	411.98	470.83
2034	65	0.756	134,560.31	86.47	172.94	259.41	345.87	432.34	518.81	605.28	691.75
2035	66	0.756	138,597.12	89.06	178.13	267.19	356.25	445.31	534.38	623.44	712.50
2036	67	0.756	142,755.03	91.73	183.47	275.20	366.94	458.67	550.41	642.14	733.88

ON \$500K

	<u>MONTHLY</u>		
40-44	\$34.43	x 5YR =	\$ 2065.80
45-49	\$51.00	x 5YR =	\$ 3060.00
50-54	\$ 78.20	x 5YR =	\$ 4,692.00
55-59	\$147.05	x 5YR =	\$ 8,823.00
60-64	\$225.25	x 5YR =	\$13,515.00
65-69	\$321.30	x 5YR =	\$19,278.00
			\$51,433.80

This Group Policy:
Client pays \$51,433 after 30 years

PRI

		<u>MONTHLY</u>	<u>30YR</u>
P+	40-69 (30YR)	\$66.98	\$24,112
P	40-69 (30YR)	\$77.43	\$27,870
NT	40-69 (30YR)	\$107.35	\$38,640

Primerica:
Client pays \$38,646 after 30 years

Quick Quote



♦ Your Life Insurance purchase can seriously affect your family's security if you die, and your quality of life while you're alive. Three points to consider:

- 1. Standard of Living** In the event of the untimely death of either the husband or wife, a wise insurance purchase can mean the difference between maintaining the family's standard of living and financial disaster for those left behind.
- 2. Long-term goals** Too little protection may leave your family vulnerable. The survivors may have to drain savings to cover burial and other expenses, which could seriously affect long-term goals like college education.
- 3. Retirement Income** By lowering your insurance cost, you can free up dollars that could be better used to save for the future.

Your Life Insurance Premium Quote*

♦ To provide total coverage of \$500,000 for primary, your total monthly premium would be \$107.35.

Insured	Ins. Age	Ins. Class	Product Description	Face Amount	Monthly Premium
Client	40	Non-Tobacco	Custom Advantage 30	\$500,000	\$107.35
Guaranteed Face Amount and Premium Totals				\$500,000	\$107.35

Thank you for asking for a quote for our term life insurance. This quote is not an offer to issue coverage at the quoted rate.

In order to determine whether, and at what rate, coverage could be issued to you, you must first submit an application and complete any underwriting requirements.

The need for life insurance is too important to put off. You have taken a first step by obtaining this quote. Take the next step by applying for a policy.

Premiums are guaranteed for each product's initial duration. To receive a full illustration which shows all premiums to Primary Insured to age 95, ask your representative.
C7 series of term life insurance
Annual Policy Fee of \$75 Included