

# Chapter 5. Group Life Insurance

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## Group Life Insurance

The VRS Basic Group Life Insurance Program was created July 1, 1960, and enhanced with Optional Life coverage in 1995. Minnesota Life Insurance Company is the current provider of all life insurance benefits administered by VRS.

The VRS Group Life Insurance Program offers up to six times an employee's annual salary in life insurance. The plan consists of two components: Basic and Optional.

*Life insurance consists of two components: basic and optional.*

- **Basic Group Life Insurance.** Basic life insurance is equivalent to the member's salary rounded to the next highest thousand dollars, if not an even thousand, then doubled.
- **Optional Group Life Insurance.** Optional life insurance provides the member an opportunity to purchase up to an additional four times salary in life insurance coverage in incremental amounts not to exceed a total of \$700,000 of additional insurance.<sup>1</sup>

The Optional Group Life Insurance Program also allows employees to purchase insurance to protect their spouse and minor dependent children. If both employee and spouse are active members and are both employed by VRS Group Life Insurance Program participating employers, the employees may not cover each other. Each must participate in optional insurance under his or her own coverage.

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<sup>1</sup> See [Code of Virginia § 51.1-512](#).

Use your User ID and Password to access Minnesota Life's secure Web site to view information about employees who have applied for insurance or who have an open claim, or to check option levels and *premium* amounts. The address of the secure site is [www.lifebenefits.com](http://www.lifebenefits.com). If you do not have a User ID or have problems with your existing ID, please contact Minnesota Life:

**Minnesota Life**  
**P.O. Box 1193**  
**Richmond VA 23218-1193**  
**1/800/441-2258**  
**Joseph.Chang@securian.com**

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## ELIGIBILITY

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### Employees

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All employees who are covered under basic group life insurance are eligible to enroll in optional life insurance.<sup>2</sup> Eligible employees include:

- Full-time, permanent, salaried *state* employees, whether covered by VRS or an Optional Retirement Plan (ORP)
- Part-time, classified state employees and part-time college and university faculty who work at least 20 hours per week and are compensated on a salaried basis
- Public school teachers, administrators (including superintendents who have elected to be covered by the ORP for School Superintendents for their retirement benefits) and clerical employees of public school divisions
- Regular full-time employees of *political subdivisions* participating in VRS, provided the employer is participating in the Group Life Insurance Program
- Eligible employees of the Virginia Port Authority who elected VRS coverage

*Wage employees are not eligible for life insurance.*

The following employees are not covered by basic group life insurance and are therefore unable to enroll in optional life insurance:

- Temporary or wage employees
- Part-time adjunct faculty

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<sup>2</sup> See Code of Virginia §§ 51.1-502 - 51.1-502.3.

- University of Virginia Optional Retirement Plan participants
- Employees of the University of Virginia Medical Center
- Employees of the Medical College of Virginia Hospital Authority

*Only one coverage in basic group life insurance is permitted.*

An employee may not have more than one coverage under the Basic Group Life Insurance Program.<sup>3</sup> Any individual who is employed in more than one position that provides VRS-sponsored group life insurance coverage must choose one position on which coverage is based. The employee must submit a signed Election of Employer for VRS Reporting (VRS-9) to VRS indicating the employee's choice.

### Spouses and Dependent Children

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Employees who participate in optional life may also apply for optional group life insurance for the following:

*Spouses and eligible children may be covered under optional life insurance.*

- A spouse
- Any unmarried, natural or legally adopted children who are not self-supporting up to a certain age
- Any unmarried step-children living full-time with the member in a parent-child relationship up to a certain age
- Any other children if they are in the permanent court-ordered custody of the member and can be claimed as a dependent on a federal income tax return up to a certain age
- A spouse on full-time active duty in the armed forces

The following are not eligible for optional group life insurance coverage:

- A former spouse (if divorced)
- Children less than 15 days of age or more than 25 years of age
- Children 21 years of age but less than 25 unless attending an accredited school or college as a full-time student or unless physically or mentally disabled
- Children more than 25 unless physically or mentally disabled
- Married children regardless of age
- Any dependent eligible for VRS life insurance as an employee

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<sup>3</sup> See [Code of Virginia § 51.1-503](#).

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## WAIVING COVERAGE

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*Employees wanting to waive basic coverage complete a VRS-27.*

A member has only one opportunity to waive coverage under the VRS Basic Group Life Insurance Program. Basic coverage may be waived only if the member was employed with a VRS Group Life Insurance participating employer prior to the employer's effective participation date.<sup>4</sup> To waive coverage an eligible member must complete and submit a Waiver of Group Life Insurance Coverage (VRS-27) to VRS.

A member who waived basic coverage initially may become insured for basic coverage later if the member submits a completed Group Life Insurance Evidence of Insurability (VRS-32). The member is responsible for the expense incurred for completing the VRS-32.

*Employees wanting to waive optional coverage complete a VRS-39.*

Coverage may be waived by a new employee who does not want to participate in the optional life insurance plan by completing Section 5 of the Enrollment Application for VRS Optional Group Life Insurance (VRS-39) and submitting it to Minnesota Life.

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## INSURANCE AMOUNTS

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Generally, group life insurance for an active member is based on the member's last annual salary earned prior to death, dismemberment or acceleration of death benefits. However, members participating in group life who have 20 years or more of service have basic group life insurance based on the highest salary earned during the member's career, regardless of when the highest salary was earned.

### Basic and Optional Life

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The following chart summarizes available Basic and Optional life insurance amounts:

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<sup>4</sup> See [Code of Virginia § 51.1-507](#).

Benefit Type	Employee		Spouse	Child
	Basic Life	Optional Life	Optional Life only	Optional Life only
Death Benefit	2 X Salary	Option elected*	Option elected*	Opt. 1: \$10,000 Opt. 2: \$10,000 Opt. 3: \$20,000 Opt. 4: \$30,000
Accidental Death Benefits	Double Indemnity Repatriation Seat-Belt Felonious Assault	Double Indemnity	Double Indemnity	Double Indemnity
Living Benefits	Dismemberment Accelerated	Dismemberment Accelerated	Dismemberment Accelerated	Dismemberment Accelerated

\* Each option is a multiple of the employee's salary, up to four times salary for employees and two times employee's salary for the spouse.

Refer to the Employee Group Term Life Certificate of Insurance for definitions and specific details distributed by Minnesota Life. The certificate can be found on the Minnesota Life Web site ([www.lifebenefits.com](http://www.lifebenefits.com)).

### Repatriation

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In addition to the double indemnity benefit payable upon the *accidental death* of an insured employee, if the accident occurs at least 75 miles away from the employee's home, this accidental death coverage pays up to \$5,000 for the actual cost for preparation and transportation of the employee's body to a mortuary.<sup>5</sup>

### Seat-Belt Benefit

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If an insured employee dies or suffers dismemberment in an accident while driving or riding in a private passenger vehicle, an additional *accidental death and dismemberment* benefit is paid provided that:

1. The vehicle has a safety restraint system,
2. The employee was using the safety restraint system at the time of the accident, and
3. The driver was licensed and not intoxicated or otherwise impaired at the time of the accident.

The additional benefit is the lesser of 10 percent of the amount otherwise due as a result of the accidental death or dismemberment, or \$50,000.<sup>6</sup>

<sup>5</sup> See Code of Virginia § 51.1-505.01(A).

<sup>6</sup> See Code of Virginia § 51.1-505.01(B).

A safety restraint system means a properly installed seatbelt, lap and shoulder restraint or other restraint approved by the National Highway Traffic Safety Administration. The term does not include an air bag system.

### Felonious Assault

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If an insured employee dies or suffers dismemberment as a result of a felonious assault by someone other than a member of the employee's immediate family, an additional accidental death and dismemberment benefit is paid. The additional benefit is the lesser of 25 percent of the amount otherwise due as a result of the accidental death or dismemberment, or \$50,000.<sup>7</sup> In addition, if the employee has a qualifying child, a savings trust account is opened for each child pursuant to the Virginia College Savings Plan to which the retirement system contributes an amount approximately equal to the current cost of purchasing in full a prepaid tuition contract for tuition and mandatory fees at a four-year public institution of higher education in Virginia. The savings trust account is subject to certain restrictions intended to preserve the funds for the payment of college expenses.

Felonious assault means a physical assault resulting in bodily harm that takes place while the employee is performing his or her customary duties at the employer's normal place of business or at other places the employer's business requires the employee to travel. The assault involves the use of force or violence with the intent to cause harm which constitutes a felony or misdemeanor under applicable law.

Qualifying child means a dependent child under the age of 18 or if the child is 18 or older, the child is enrolled in high school.

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<sup>7</sup> See Code of Virginia § 51.1-505.01(C).

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## BENEFICIARIES

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Life insurance benefits are paid according to the order of precedence unless a beneficiary designation is on file. The order of precedence is as follows:<sup>8</sup>

*Life insurance is paid under the order of precedence if the member does not name a beneficiary.*

- To the member's spouse;
- If no surviving spouse, to the member's children and descendants of deceased children, *per stirpes*;
- If none of the above, to the member's parents equally or to the surviving parent;
- If none of the above, to the duly appointed executor or administrator of the member's estate; or
- If none of the above, to other next of kin entitled under the law of the state the member lives in at the time of death.

In the order of precedence, "children" means natural born or adopted children. To designate a stepchild as a beneficiary, the member must complete a Designation of Beneficiary (VRS-2).

A member may change the way benefits are paid by submitting a VRS-2. A VRS-2 may be obtained from the VRS Web site or by contacting Minnesota Life. Any valid designation on file is used to determine the beneficiary of life insurance proceeds unless a VRS-2 is submitted naming a new beneficiary or designating payment by order of precedence.

**Note:** The member is always the beneficiary of optional life insurance for a spouse or child.

### Ineligibility of Former Spouse Named as Beneficiary

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A member who divorced prior to July 1, 1993, who had designated a former spouse as the beneficiary and who wants someone other than the former spouse to receive benefits, must file an updated VRS-2. For divorces effective July 1, 1993 and thereafter, a former spouse named as the beneficiary for basic group life insurance proceeds is treated as predeceasing the member unless:

- VRS is presented with legal documentation showing that there is a specific requirement in a divorce decree or separation agreement

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<sup>8</sup> See Code of Virginia § 51.1-511.

entered by a court on or after July 1, 1993 requiring that the former spouse be named for these benefits (Group life is not subject to or controlled by ADRO stipulations); or

- The member has submitted a new VRS-2 after the date of the divorce naming the former spouse as beneficiary.

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## OPTIONAL GROUP LIFE INSURANCE GUARANTEED WITHIN FIRST 31 DAYS

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*Optional life insurance is guaranteed for members if enrolled within 31 days of hire.*

An employee may apply for optional life insurance at any time. However, if the employee is enrolling within 31 days of employment, coverage is guaranteed and no medical underwriting is required. Additionally, members who participate in the optional life plan may add dependents within 31 days of a *qualifying event*. Coverage of the dependents is guaranteed, at least to the same level as the member is insured. A qualifying event is an event such as marriage, birth or adoption of a child, or retirement of a spouse when both member and spouse are covered under optional life insurance. When members are married and both members have optional coverage and one member retires for service, the active member can add the retired spouse to his or her active optional life coverage without evidence of insurability. The active member may insure the retired spouse at the same option level for which the spouse was previously insured as an active member. The coverage amount may not exceed the amount the spouse had while actively employed.

The following coverage levels require evidence of insurability:

- Levels shaded in gray in the following chart, and
- All levels as a late entrant (applying for coverage after the first 31 days of eligibility).

Option	Employee Insurance Amount*	Spouse Insurance Amount*	Child 15 Days – Maximum Age
1	1 x salary	½ x salary	\$10,000
2	2 x salary	1 x salary	\$10,000
3	3 x salary	1½ x salary	\$20,000
4	4 x salary	2 x salary	\$30,000

\* Guaranteed issue amounts are not to exceed \$350,000 for employee and \$175,000 for spouse.

Steps to enroll are as follows:

- The member completes an Enrollment Application for VRS Optional Group Life Insurance (VRS-39) and forwards it to you.
- You must complete Section 6 of the VRS-39.
- Individuals who enroll after 31 days and are not guaranteed coverage, or a spouse who enrolls within 31 days but applies for levels within the shaded area above, must complete a Group Life Insurance Evidence of Insurability (VRS-32).

### Additions and Changes to Optional Group Life Insurance Coverage

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A member may enroll in optional life, add a dependent, increase or decrease coverage, or terminate coverage, at any time. Depending on circumstances, adding or increasing optional life coverage may require evidence of insurability. Steps to facilitate optional life insurance changes are as follows:

*Evidence of insurability may be required to add or increase coverage.*

<b>Enrolling after first 31 days as a late entrant</b>	<ul style="list-style-type: none"> <li>• The member completes an Enrollment Application for VRS Optional Group Life Insurance (VRS-39). Check the appropriate box(es) for coverage on member, spouse, and child.</li> <li>• Each individual who seeks to be insured completes a Group Life Insurance Evidence of Insurability (VRS-32).</li> </ul>
<b>Adding a Spouse or a Dependent</b>	<ul style="list-style-type: none"> <li>• The member completes a Request for Change Under Optional Group Life Insurance Plan (VRS-39A).</li> <li>• Individuals increasing options or adding an insured dependent completes a Group Life Insurance Evidence of Insurability (VRS-32).</li> </ul>
<b>Reducing or Terminating Coverage</b>	<ul style="list-style-type: none"> <li>• The member completes a Request for Change Under Optional Group Life Insurance Plan (VRS-39A).</li> </ul>

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- Qualifying Event** If optional insurance is in effect:
- The member completes a Request for Change Under Optional Group Life Insurance Plan (VRS-39A).
    1. If a request is made within 31 days of a qualifying event, insurance is guaranteed up to either the existing level of optional coverage that is in force, or the guaranteed issue amounts as specified by the plan, whichever is less.
    2. If a request is made beyond 31 days of a qualifying event, a VRS-32 is required.
- If this is a new enrollment:
- The member completes an Enrollment Application for VRS Optional Group Life Insurance (VRS-39).
  - The member and any dependents not included in the qualifying event complete a VRS-32.
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### Optional Group Life Insurance and Transfers

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A member who transfers to another VRS-covered employer is viewed as a new employee to the new employer. This means that a member who starts working at a new agency has a 31-day period beginning from the date of new employment in which to elect optional life on a guaranteed basis. A member who moves from one state agency to another state agency is not viewed as a new employee because the State is viewed as a single employer. However, an employee who has had more than a full calendar month break in service between State employers is considered a new employee with a 31-day *guaranteed issue* period for optional life.

Take the following steps to facilitate optional life enrollment for a transfer:

- Give the member optional life insurance information.
- Determine if the member had optional life insurance coverage with the previous employer.
- Have the employee complete the appropriate forms, as described in the following situations:

*Changing employers may entitle the member to add or increase coverage without evidence of insurability.*

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**Guaranteed Issue**

- The member completes an Enrollment Application for VRS Optional Group Life Insurance (VRS-39).
  - The member has 31-day period to obtain optional life guaranteed to Option 4, subject to \$350,000 maximum.
  - The spouse is guaranteed to Option 1.
  - The child is guaranteed to Option 4.
- The member submits a VRS-39 to Minnesota Life to record the optional life enrollment.
- Insurance coverage is effective on the signature date.
- To view employee optional life changes, go to [www.lifebenefits.com](http://www.lifebenefits.com). Select the Billing option and then the Coverage Change Reports option.

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**If evidence of insurability is required**

- Each individual who is not guaranteed completes a Group Life Insurance Evidence of Insurability (VRS-32).
- The member submits a VRS-39 and VRS-32 to Minnesota Life for review.
- Upon receipt, Minnesota Life will approve, decline or request additional information deemed necessary for making an underwriting decision.
- Minnesota Life notifies the member by mail of the decision.
- When activated for each User ID, an automatic underwriting notification e-mail will provide a prompt to view underwriting activity on [www.lifebenefits.com](http://www.lifebenefits.com)
- To view employee optional life changes, go to [www.lifebenefits.com](http://www.lifebenefits.com). Select the Billing option and then the Coverage Change Reports option.
- Coverage begins on the **date of the approval**.

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**If retaining same option level as previous employer**

- An employee who was previously insured with optional life insurance at a prior agency and wants to retain previous level of coverage, must complete an Enrollment Application for VRS Optional Group Life Insurance (VRS- 39). This informs Minnesota Life that the employee has had a change in employer and wants to continue optional life coverage.
  - Coverage for an employee who has had less than a full calendar month break in service between employers is continuous.
  - Optional life premiums from a prior agency are submitted to Minnesota Life until the last payroll in which member is reported.
  - Optional life premiums with the new agency begin on the first day of the month after the employment date.
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## PREMIUMS

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### Basic Group Life Insurance

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Employer and employee rates for basic group life are set periodically by the VRS Board of Trustees based upon recommendation by the VRS actuary.

*Most employers pay basic group life insurance premiums on behalf of their employees.*

The employer contributes to the Basic Group Life Insurance Program, regardless of whether the employer pays the member's share of the premiums. Contributions for basic life insurance are reported and sent to VRS. In many cases, the employer pays both the member and employer share of the basic life premium. When members pay their share of basic life, member premiums are automatically deducted from their salary. If the basic premium is not deducted from salary, through no fault of the member, the member is insured and is not required to pay the amount that should have been deducted.<sup>9</sup> The member share is paid until termination. The maximum amount a member contributes toward group life insurance coverage is 70 cents per month for each \$1,000 of *annual salary*.<sup>10</sup>

### Optional Group Life Insurance

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A member who participates in the Optional Group Life Program pays all premiums. Optional life premiums for active members are payroll deducted and employers remit these premiums directly to Minnesota Life.

A member in deferred status who had optional life coverage while actively employed and is eligible to continue coverage may pay optional premiums directly to Minnesota Life. This includes members on leave without pay, on disability under the Virginia Sickness and Disability Program (VSDP), those who took disability retirement and those who took service retirement and were enrolled in optional group life insurance for at least five years immediately prior to retirement

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<sup>9</sup> See [Code of Virginia § 51.1-506](#).

<sup>10</sup> See [Code of Virginia § 51.1-506](#).

Optional life premiums for members are based on salary and age of member. Optional life spouse premiums are based on the spouse's age and the amount of coverage. Optional life premiums for dependent children are based on the level of coverage. Premiums are reviewed and adjusted accordingly once a year unless the member makes changes in the level of coverage or adds or discontinues coverage on the spouse or dependent children. To view your employee premium amounts, go to [www.lifebenefits.com](http://www.lifebenefits.com). Select the Billing option and then the Billing Report option.

The following chart shows the current Optional Life Member and Spouse Premium Rates, which were effective July, 2011.

<b>Age of Member/Spouse</b>	<b>Monthly Cost Per \$1,000 of Coverage</b>
Under 30	\$0.05
30 to 34	0.06
35 to 39	0.08
40 to 44	0.09
45 to 49	0.14
50 to 54	0.21
55 to 59	0.40
60 to 64	0.66
65 to 69	1.27
70 to 74	2.06
75 & Over	2.06

The following chart shows the current Optional Life Child(ren) Rates.

<b>Option (Coverage Level)</b>	<b>Cost of Coverage</b>	<b>Child Coverage Amount</b>
1	\$0.80	\$10,000
2	0.80	10,000
3	1.60	20,000
4	2.40	30,000

*Members may continue life insurance coverage for up to 24 months while on leave.*

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## BENEFITS DURING LEAVES OF ABSENCE

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Members on leave with pay continue to have life insurance coverage. Members on leave without pay may continue coverage for up to 24 months of leave provided premiums are paid. A member who is on military leave without pay may continue coverage even if the leave without pay period exceeds 24 months. The employer's personnel policy determines whether the employer or the member pays the premiums.

Take the following steps when an employee takes an approved leave:

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<b>Leave With Pay</b>	Members on leave with pay continue to have both basic and optional life insurance coverage. <ul style="list-style-type: none"><li>• To maintain basic coverage, continue to report the member on your payroll and send in contributions.</li><li>• To continue optional life, the premium is paid through payroll deduction and sent to Minnesota Life along with the premiums paid by active employees.</li></ul>
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**Leave Without Pay (LWOP)**

Members on LWOP (including Family Medical Leave Act) may continue coverage for up to 24 months provided premiums are paid.

- Premiums for basic and optional coverage continue through payroll deduction until the last payroll for which the member receives pay.
- Thereafter, the member should pay basic and optional premiums directly to the employer in the following manner:
  - Either in advance of the leave in an amount sufficient to cover the period for which the leave is granted, or
  - In equal monthly installments for the duration of leave.
- Basic life insurance premiums for members on LWOP are reported to VRS
- Optional life insurance premiums for members on LWOP are paid to Minnesota Life in one of the following ways:
  - Employer sends the premium along with optional life premiums for active employees
  - Member sends the premium and the employer is required to provide Minnesota Life with documentation of the LWOP status.

If a member on LWOP does not pay premiums, coverage ceases during the leave period.

- Coverage is reinstated without evidence of insurability upon the member's return from leave at the same coverage level as before leave.
- Upon return from leave, premiums are paid via payroll deduction. Premiums may begin on the 1<sup>st</sup> of the month after return from leave.

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\*Periods of military leave are covered beyond 24 months if the premiums are paid.

If a member is on leave without pay at the time a salary increase would normally be effective and dies before returning to work, the death benefit would be paid based on the prior salary because the member had not actually worked under the higher salary. An exception would be made if the premiums were increased to correspond with the increased salary. In this case, VRS would honor your policy of recognizing a salary increase even in a LWOP situation.

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LIFE INSURANCE WHILE ON VSDP

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Both basic group life and optional group life insurance, including accidental death and dismemberment benefits, continue while an employee is on short-

*Life insurance coverage continues while members are receiving benefits under VSDP.*

term or long-term disability under the *Virginia Sickness and Disability Program* (state employees only).<sup>11</sup>

Employers continue to pay basic group life insurance premiums for employees on *short-term disability*. The amount of the employee's coverage may be adjusted to include any salary increases awarded while the employee is on short-term disability.

Neither the employee nor the employer is required to pay basic group life insurance premiums for employees on long-term disability. The amount of life insurance coverage is equal to two times the employee's annual salary at the time the employee went on long-term disability, rounded to the next higher thousand dollars. The amount of coverage for an employee on long-term disability may be increased annually by cost-of-living adjustments to the employee's pre-disability annual salary. The cost-of-living adjustments are recommended by the VRS actuary and approved by the VRS Board of Trustees.

Optional life coverage may continue for as long as the employee remains on long-term disability and premiums are paid directly to Minnesota Life. If the long-term disability employee retires under service retirement provisions, optional life coverage can be maintained if the employee was enrolled in optional group life insurance for at least five years immediately prior to retirement. However, if a long-term disability employee is no longer eligible for VSDP long-term disability and does not meet the requirements to continue optional life into retirement, the employee can convert his or her optional coverage to an individual policy.

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## LIFE INSURANCE AFTER TERMINATION OF EMPLOYMENT

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A member may maintain life insurance coverage upon terminating employment by converting to an individual policy.

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<sup>11</sup> See [Code of Virginia § 51.1-1133](#).

## Conversion Privilege

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*A terminating member may convert basic or optional life coverage to an individual policy within 31 days of termination.*

Upon leaving VRS-covered employment, a member may convert basic and/or optional life insurance to an individual policy. The member must convert basic or optional coverage within 31 days of termination. Likewise, an insured dependent who wants to convert optional insurance coverage to an individual life insurance policy may do so within 31 days of:

- the member's death or
- the date the dependent ceases to qualify for insurance under the policy.

Conversion to an individual policy is guaranteed.

If a member or dependent wants to convert to an individual policy, please provide the conversion packet information. The conversion packet contains all necessary information, including a Conversion to Adjustable Life Legend (VRS-35) for the member or dependent to determine whether to convert coverage.

The member or dependent completes and sends the required information with the first premium payment to Minnesota Life's Richmond branch office. Minnesota Life bills the member or dependent directly.

The VRS-35 is available on both the VRS and Minnesota Life Web sites.

**Note:** Employees who retire, or who are eligible to retire but defer their annuity, are not eligible to convert basic coverage. Basic coverage is retained as a post-retirement benefit.

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## LIFE INSURANCE AT RETIREMENT

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A member who retires from VRS with at least 20 years of creditable service has basic life insurance at retirement based on two times the member's highest annual salary earned during employment, even if the member's compensation at retirement was lower. Such insurance decreases annually at the rate of 25 percent as described below in Service Retirement.

**Note:** The 20 years of creditable service can be under VRS, an ORP or may be a combination of service under VRS and an ORP.

## Service Retirement

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Employees who terminate employment and meet age and service requirements for retirement remain eligible for the death benefit and accelerated benefit. However, accidental death and dismemberment benefits cease upon retirement.<sup>12</sup>

### Basic Group Life Insurance

Retiring members and terminating members who meet eligibility for retirement upon separation of employment, but choose to defer retirement retain basic group life insurance at no cost.

*The value of life insurance reduces 25 % on January 1 after the first full calendar year of retirement.*

Retirees and terminating members eligible for retirement upon separation, who leave service July 1, 2001 and after, have the value of insurance reduced at a rate of 25 percent of the value at separation on January 1 following one calendar year of separation from service, and annually thereafter, until reaching 25 percent of its original value.<sup>13</sup> Once fully reduced, the life insurance policy equals approximately 50 percent of the member's pre-retirement salary. The value of life insurance is specified on the retiree's VRS Retirement Certificate. For example, if the retiree separates from employment June 30, 2011 and retires July 1, 2011, the basic group life insurance coverage begins to reduce by 25 percent January 1, 2013. The coverage continues to reduce until January 1, 2015, when it reaches 25 percent of its value at retirement.

**Note:** Optional Retirement Plan (ORP) participants can satisfy service requirements through a combination of VRS and ORP service.

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<sup>12</sup> See [Code of Virginia § 51.1-505\(E\)](#).

<sup>13</sup> See [Code of Virginia § 51.1-505\(B\)](#). The reduction rate for those who left service prior to July 1, 2001, is 2 percent per month from the original value at retirement until coverage reached 25 percent of its original value.

## Optional Life Insurance

### Conversion

A member or a dependent may convert optional insurance coverage to an individual policy within 31 days of the date the member leaves service. (See previous page on “Conversion.”)

### Continuation

A member who was insured with optional life for at least 60 months prior to retirement or before leaving service may elect to continue optional life in the same group plan at either Option 1 or Option 2, subject to a maximum equal to the lesser of:

- The amount of optional insurance in force, or
- \$250,000

Dependents of members electing to continue optional coverage may also continue optional life insurance. The member completes and submits the Virginia Retirement System Retiree Optional Life Continuation (VRS-39R) with the first premium payment to Minnesota Life’s Richmond branch office.

A retired member remains eligible for the optional life insurance death benefit and accelerated benefit. However, the provision that allows for payment of double the death benefit for an accidental death ceases upon retirement. Dismemberment insurance also ceases upon retirement.

Optional life that is continued for eligible VRS and ORP Plan 1 members, retirees and spouses reduces 25 percent at ages 65, 70, and 75 with all insurance terminating at age 80.

<b>Age</b>	<b>Percentage Reduction</b>	<b>Employee Salary Multiple</b>	<b>Spouse Salary Multiple</b>
65	75%	1.5 x	0.75 x
70	50%	1.0 x	0.5 x
75	25%	0.5 x	0.25 x
80	0%	0 x	0 x

**Plan 2:** Optional life that is continued for eligible VRS and ORP Plan 2 members, retirees and spouses reduces 25 percent at the member's normal retirement age under Social Security. The amount continues to reduce 25 percent every five years, with all insurance terminating at age 80.

For both conversion and continuation, Minnesota Life bills the member or dependent directly.

## Disability Retirement

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### **Basic Group Life Insurance**

Disability retirees retain life insurance coverage at no cost and may accelerate the death benefit if eligibility requirements are met. However, accidental death and dismemberment benefits cease upon retirement.

For disability retirees with a retirement date prior to July 1, 2001, the annual January 1 coverage reduction begins after attaining age 65. The amount reduces 2 percent per month every month until the retiree's coverage reaches 25 percent of the original life insurance policy, which equals approximately 50 percent of the pre-retirement salary.

For disability retirees who last worked after July 1, 2001, the annual January 1 coverage reduction begins 12 months after the retiree's 65<sup>th</sup> birthday. For example, if the disability retiree's 65<sup>th</sup> birthday is September 10, 2011, coverage begins to reduce January 1, 2013. The 25 percent annual reduction continues until the retiree's coverage reaches 25 percent of the original life insurance policy, which equals approximately 50 percent of the pre-retirement salary.

### **Optional Life Insurance**

A retired member remains eligible for the death benefit and accelerated benefit. However, the provision that allows for payment of double the death benefit for an accidental death ceases upon retirement. Dismemberment

insurance also ceases upon retirement. If enrolled, optional life insurance in force at retirement continues until the VRS or ORP Plan 1 disability retiree reaches age 65, at which time the member may either convert to an individual policy or if eligible, continue a portion of insurance coverage within the group plan.

**Plan 2:** If enrolled, optional life insurance in force at retirement continues until the VRS or ORP Plan 2 disability retiree reaches Social Security normal retirement age, at which time the member may either convert to an individual policy or if eligible, continue a portion of insurance coverage within the group plan.

Refer to Chapter 9 “Disability Retirement” of this manual for more information on life insurance under disability retirement.

## Basic Group Life for Retirees Returning to Covered Employment

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### Returning to a Participating VRS Employer

If a retiree returns to covered employment with a VRS-participating employer that provides basic group life insurance, coverage resumes and insurance premiums must be paid. The value of the life insurance coverage is based on the member’s salary at the time of reemployment. However, if the member initially retired on or after July 1, 1999 and had 20 years or more of service credit, the value of insurance is based on the highest salary earned during the member’s career. The retiree is not required to work an additional five years (re-vest) in order to obtain basic group life insurance upon retiring the second time. A returning employee has *natural death*, accidental death and dismemberment, *accelerated death benefits* and *irrevocable assignment* of ownership rights during the second period of employment.

*Life insurance coverage resumes if a retiree returns to work.*

At second retirement, the value of the life insurance is based on the last salary earned while reemployed unless the member retired July 1, 1999 or after and had 20 years or more of service credit at first retirement. In this

case, the value of insurance is based on the highest salary earned during his or her career. The value reduces at a rate of 25 percent of the original value at retirement on January 1 of the first full year following the date the employee terminates, and annually thereafter, until reaching 25 percent of its original value.

### **Returning to a Non-Participating VRS Employer**

If a retiree returns to employment with a VRS participating employer who has **not** elected to participate in the Group Life Insurance Program, the retiree's coverage remains at the level to which it had reduced prior to re-employment. If the member dies during the second period of employment, the natural death benefit is paid. The reduction in coverage resumes upon return to a retirement status. If the coverage has fully reduced at the time the retiree returns to covered employment, the insurance is in force for the reduced amount while employed, and this amount is carried forward when the employee retires again.

The life insurance amount for members who retire on or after July 1, 1999 with 20 years or more of service is based on the highest salary earned during his or her career.

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## ABSOLUTE ASSIGNMENT OF LIFE INSURANCE

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An employee may make a voluntary irrevocable assignment of ownership rights in the insurance provided by basic group life insurance by completing a Virginia Retirement System Absolute Assignment (VRS-37) (available from Minnesota Life). Collateral assignments may not be made. Any employee contemplating such an assignment should seek the advice of legal counsel.

An irrevocable assignment does not change any beneficiary designation made prior to the date the assignment is made. However, the *assignee* of the life insurance may change the designation of the beneficiary. A spouse or dependent's optional life insurance may not be assigned.

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## TAX LIABILITY FOR VALUE OF BASIC GROUP LIFE INSURANCE COVERAGE OVER \$50,000

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*Imputed income is calculated for coverage in excess of \$50,000.*

Section 79 of the Internal Revenue Code (IRC) requires employers to calculate imputed taxable income for employees with group life insurance coverage in excess of \$50,000. Employers are responsible for reporting basic group life insurance *imputed income* for:

- Active members
- Inactive members who are eligible to retire, but deferred retirement
- Retirees in an Optional Retirement Plan (ORP)
- Retirees in local government plans covered only by VRS group life insurance

The amount of imputed taxable income must be reported on the employee's Form W-2. IRC Section 79 allows employees to exclude from taxable income the value of coverage up to \$50,000. To calculate the imputed taxable income for an employee, the employer must use the Uniform Premium Table Method as prescribed by the Internal Revenue Service. When using this table and calculating the imputed taxable income, you must use the age of the employee or retiree on December 31. See Appendix 5-A for uniform premium amounts.

Optional group life insurance is not subject to imputed income.

### How to Calculate Imputed Income Tax

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The following is an example of how to calculate imputed taxable income resulting from basic group life coverage.

**Example:** Christy, a 60-year old employee with an annual salary of \$39,600 (entire calendar year), has \$80,000 basic group term insurance coverage. She pays \$3.00 monthly as an after-tax deduction for her employee share, and her employer pays the remaining employer share.

Amount of insurance in excess of \$50,000 = \$30,000 (\$80,000 - \$50,000)  
 Cost per \$1,000 of insurance per month = \$0.66 (see Uniform Premium Table).

\$0.66	
X <u>30</u>	(amount of insurance in excess of \$50,000)
\$19.80	
X <u>12</u>	(months)
\$237.60	(total cost of insurance per IRS)
- <u>36.00</u>	(premiums deducted from employee's pay)
<u>\$201.60</u>	(adjusted cost of insurance)

In this example, \$201.60 is reported as additional income on the employee's W-2 form for the year. If the deduction from the employee's pay is made on a pre-tax basis, the entire premium is treated as paid by the employer. In that case, the full \$237.60 is reported as additional income on the employee's W-2 form for the year.

If the employee has a salary change during the year that results in a change in the amount of coverage, the cost is calculated separately for each period:

1. Calculate the cost for the number of months at the old coverage level.
2. Calculate the cost for the number of months at the new coverage level.
3. Add the results for the two periods together.

### Taxable Income Calculation Worksheet

Use the following worksheet to assist you in calculating the employee's additional taxable income resulting from basic group life insurance. The process shown on this worksheet **must** be used if the employee pays any of the premiums for coverage during the year. The monthly amounts shown in Appendix 5-B may be used for your calculations **only** if 1) the employer pays the employee's premiums during the entire year or 2) the employee's portion of the premium is paid on a pre-tax basis under a cafeteria plan or IRC Section 125 plan maintained by the employer.

1. Total units of insurance (coverage/1,000) \_\_\_\_\_ (1)
2. Units of excess insurance (line 1 minus 50) \_\_\_\_\_ (2)
3. "Cost" per \$1,000 per month (from IRS table) \_\_\_\_\_ (3)
4. "Cost" of one month (line 2 x line 3) \_\_\_\_\_ (4)
5. Number of months at this rate \_\_\_\_\_ (5)
6. Additional income for the period (line 4 x line 5) \_\_\_\_\_ (6)

Repeat steps 1 through 6, as needed, to determine the income for the entire year and enter the result on line 7.

7. Total additional income for the year \_\_\_\_\_ (7)
8. Basic Plan Employee premium, after tax withholding for the year \_\_\_\_\_ (8)
9. Net additional taxable income for the year (line 7 minus line 8) \_\_\_\_\_ (9)

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## CESSATION OF LIFE INSURANCE BENEFITS

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Both basic group life and optional life insurance coverage for an employee cease upon the earliest of:<sup>14</sup>

- Termination (except in cases of service or disability retirement, VSDP long-term disability or if the member qualifies for service retirement but delays receiving the monthly benefit),
- Failure to pay the member contribution required for the first 24 months of leave without pay, or
- Failure to return to pay status after taking 24 months of leave without pay.

Coverage also ceases if an employee accelerates 100 percent of the benefit (takes the entire value of his life insurance policy).

Accidental death and dismemberment insurance on a member ceases upon the earliest of:<sup>15</sup>

- Termination
- Failure to pay the member contribution required for the first 24 months of leave without pay
- Failure to return to pay status after taking 24 months of leave without pay
- Retirement

<sup>14</sup> See Code of Virginia § 51.1-505(F).

<sup>15</sup> See Code of Virginia § 51.1-505(E).

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## CLAIMS

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All questions regarding claims and any requests for forms or assistance with claims may be referred directly to Minnesota Life.

*Report claims to  
Minnesota Life.*

### How to Report a Death

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Report employee and retiree deaths to Minnesota Life's Richmond branch office by any one of the following:

- Use the "Contact Us" page on the VRS or Minnesota Life Web sites
- E-mail: **Joseph.Chang@securian.com**
- Call toll free **1/800/441-2258**
- Fax a notice to **1/804/644-2460**
- Mail to:

**Minnesota Life  
P.O. Box 1193  
Richmond VA 23218-1193**

The following information is generally helpful to begin a claim:

- Employee's name
- Employee's Social Security number
- Name of deceased (if not the same as employee)
- Date of death
- State in which death occurred, if other than Virginia
- Name, address, and phone number of person reporting claim

Notice to Minnesota Life of a member's death begins the death claim process for the VRS Group Life Insurance benefit processing, VRS Retirement and Survivor Benefit processing, and notification to Virginia Sickness and Disability Program in order to discontinue benefits. The phone numbers and web addresses for notifying ORP Retirement & Survivor Benefits and Deferred Compensation Program of a member death are provided below. Although you do not have to contact VRS Retirement and Survivor Benefits or Virginia Sickness and Disability Program (VSDP) to notify of a member death, the contact information is provided and may be used if more specific information or forms are required.

- VRS Retirement and Survivor Benefits  
1/888/VARETIR or [www.varetire.org](http://www.varetire.org)
- ORP Retirement and Survivor Benefits  
1/877/327-5261 or [www.varetire.org](http://www.varetire.org)
- Deferred Compensation Plan  
1-VRS-DCPLAN1 or [www.varetire.org](http://www.varetire.org)
- Virginia Sickness and Disability Program (VSDP)  
1/800/652-5602

### Active Members

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For a death claim related to an active employee, your office should coordinate securing the necessary claim information and submitting it to Minnesota Life. However, if at anytime you require assistance, please contact Minnesota Life's Richmond branch office. Contact information can be found in the How to Report a Death section of this chapter. All required forms are available on the Minnesota Life or VRS Web sites. The following documentation is generally required for processing a claim:

*A VRS-30 and a certified copy of the death certificate is required to process a death claim.*

- **Notice of Claim (VRS-30).** Complete this form to verify the employee's eligibility and certify annual salary for life insurance benefit calculation.
- **Certified Copy of the Death Certificate.** Only one certified copy of a death certificate is required. Minnesota Life uses the death certificate to process the life insurance claim. VRS uses it to process survivor benefits as well as other associated benefits.
- **Preference Beneficiary's Statement or Beneficiary Statement.** A Preference Beneficiary's Statement is used for employee death claims that are paid under the order of precedence. The order of precedence is as follows: 1) spouse, 2) natural or legally adopted children and descendants of deceased children, per stirpes, 3) parents, 4) estate, or 5) next of kin of the employee entitled under the laws of the domicile of the employee at the time of death. If more than one person qualifies under a specific order (i.e., multiple children), each beneficiary must complete a Preference Beneficiary Statement. A Beneficiary Statement is used for *employee* death where a claim is paid using the most current beneficiary designation, and also for *dependent* death where the employee is the beneficiary.

The Notice of Claim, Preference Beneficiary's Statement and Beneficiary Statement forms are available on the VRS or Minnesota Life Web sites.

**Note:** If a former spouse is designated beneficiary and the annulment or divorce decree was effective July 1, 1993 or after, the designation is revoked. The death benefit is payable as if the former spouse predeceased the insured (payable to contingent beneficiary(ies), if any, otherwise by the order of precedence).

If an employee has an account balance in one of the defined contribution plans, a death claim must also be filed with the plan record keeper.

### Retired and Non-Active Members

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For a death claim related to a retiree or a member in deferred status, advise the person reporting the death to contact Minnesota Life's Richmond branch office. Contact information can be found in the How to Report a Death section of this chapter. Upon verification of insurance coverage, Minnesota Life works directly with the beneficiary to complete the processing of the claim.

### Claiming an Accelerated Benefit

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Insured active members and retirees who are either diagnosed with an illness or who suffer an accidental injury that results in a life expectancy of 12 months or less may be eligible to use VRS life insurance as an accelerated benefit. Additionally, insured members considering a viatical settlement may want to explore their possible eligibility to receive an accelerated benefit.

*An accelerated benefit is available to insured members who are diagnosed with an illness that results in a life expectancy of 12 months or less.*

To process an accelerated claim, Minnesota Life requires a Virginia Retirement System Notice of Claim for Accelerated Benefit form. This form is available on the VRS or Minnesota Life Web sites. The member completes Part 1 of the form. The physician completes Part 2 and also includes copies of relevant medical records.

The completed Notice of Claim for Accelerated Benefit form and accompanying medical records may be sent to Minnesota Life's Richmond branch office:

**Minnesota Life  
P.O. Box 1193  
Richmond VA 23218-1193  
1/800/441-2258**

## Claiming Accidental Dismemberment

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The following benefits may be payable for accidental dismemberment as follows:

Both hands or both feet	- Full amount of insurance
Sight of both eyes	- Full amount of insurance
One hand and one foot	- Full amount of insurance
One foot and sight of one eye	- Full amount of insurance
One hand and sight of one eye	- Full amount of insurance
Sight of one eye	- 50% of amount of insurance
One hand or one foot	- 50% of amount of insurance

Please refer to the Certificate of Insurance for more specific details on what is a covered accident and definition of dismemberment or loss of sight. The certificate is available on the VRS or Minnesota Life Web sites.

To process an accidental dismemberment claim, Minnesota Life requires a Virginia Retirement System Accidental Dismemberment and Loss of Sight Claim (VRS-31) available on the VRS or Minnesota Life Web sites. The member completes Part 1 of the form. The physician completes Part 2 and includes copies of relevant medical records.

A completed VRS-31 and accompanying medical records may be sent to Minnesota Life's Richmond branch office:

**Minnesota Life**  
**P.O. Box 1193**  
**Richmond VA 23218-1193**  
**1/800/441-2258**

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## ADDITIONAL INFORMATION

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The life insurance proceeds provided by Chapter 5 of Title 51.1 of the Code of Virginia, including any optional insurance proceeds, are exempt from levy, garnishment, and other legal process. However, any overpayment of benefits including retirement allowances, health insurance credits, and

*The life insurance program is regulated by the Code of Virginia.*

Virginia Sickness and Disability Plan (VSDP) payments paid to a retiree may be deducted from any insurance proceeds payable to a retiree's beneficiaries.<sup>16</sup>

Insurance proceeds from an employee's basic and optional insurance may be reduced by amounts required to enforce the employee's child or child and spousal support obligation, pursuant to Chapter 19 of Title 63.2 of the Code of Virginia or any court process to enforce such an obligation.

Any payment to a member or beneficiary which is later determined to have been procured on the basis of any knowingly false statement or falsification of records may be recovered from the member or beneficiary by credit against future payments due the member or beneficiary, by legal action, or by deducting any overpayment of benefits from insurance proceeds.<sup>17</sup> The member or beneficiary will be given an opportunity to dispute any such proceedings in accordance with provisions of the Administrative Process Act.

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<sup>16</sup> See Code of Virginia § 51.1-510.

<sup>17</sup> See Code of Virginia § 51.1-124.11.

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APPENDIX 5-A UNIFORM PREMIUMS FOR \$1,000 OF  
GROUP-TERM LIFE INSURANCE PROTECTION (EFFECTIVE  
JULY, 1999)

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<b>Age of Employee</b>	<b>Monthly Cost Per \$1,000 of Excess Coverage</b>
Under 25	\$0.05
25 to 29	0.06
30 to 34	0.08
35 to 39	0.09
40 to 44	0.10
45 to 49	0.15
50 to 54	0.23
55 to 59	0.43
60 to 64	0.66
65 to 69	1.27
70 & Over	2.06

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APPENDIX 5-B VRS GROUP LIFE INSURANCE IMPUTED INCOME TABLE

Annual Salary Rate	Under										
	25	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 & up
25,001 – 26,000	0.10	0.12	0.16	0.18	0.20	0.30	0.46	0.86	1.32	2.54	4.12
26,001 – 27,000	0.20	0.24	0.32	0.36	0.40	0.60	0.92	1.72	2.64	5.08	8.24
27,001 – 28,000	0.30	0.36	0.48	0.54	0.60	0.90	1.38	2.58	3.96	7.62	12.36
28,001 – 29,000	0.40	0.48	0.64	0.72	0.80	1.20	1.84	3.44	5.28	10.16	16.48
29,001 – 30,000	0.50	0.60	0.80	0.90	1.00	1.50	2.30	4.30	6.60	12.70	20.60
30,001 – 31,000	0.60	0.72	0.96	1.08	1.20	1.80	2.76	5.16	7.92	15.24	24.72
31,001 – 32,000	0.70	0.84	1.12	1.26	1.40	2.10	3.22	6.02	9.24	17.78	28.84
32,001 – 33,000	0.80	0.96	1.28	1.44	1.60	2.40	3.68	6.88	10.56	20.32	32.96
33,001 – 34,000	0.90	1.08	1.44	1.62	1.80	2.70	4.14	7.74	11.88	22.86	37.08
34,001 – 35,000	1.00	1.20	1.60	1.80	2.00	3.00	4.60	8.60	13.20	25.40	41.20
35,001 – 36,000	1.10	1.32	1.76	1.98	2.20	3.30	5.06	9.46	14.52	27.94	45.32
36,001 – 37,000	1.20	1.44	1.92	2.16	2.40	3.60	5.52	10.32	15.84	30.48	49.44
37,001 – 38,000	1.30	1.56	2.08	2.34	2.60	3.90	5.98	11.18	17.16	33.02	53.56
38,001 – 39,000	1.40	1.68	2.24	2.52	2.80	4.20	6.44	12.04	18.48	35.56	57.68
39,001 – 40,000	1.50	1.80	2.40	2.70	3.00	4.50	6.90	12.90	19.80	38.10	61.80
40,001 – 41,000	1.60	1.92	2.56	2.88	3.20	4.80	7.36	13.76	21.12	40.64	65.92
41,001 – 42,000	1.70	2.04	2.72	3.06	3.40	5.10	7.82	14.62	22.44	43.18	70.04
42,001 – 43,000	1.80	2.16	2.88	3.24	3.60	5.40	8.28	15.48	23.76	45.72	74.16
43,001 – 44,000	1.90	2.28	3.04	3.42	3.80	5.70	8.74	16.34	25.08	48.26	78.28
44,001 – 45,000	2.00	2.40	3.20	3.60	4.00	6.00	9.20	17.20	26.40	50.80	82.40
45,001 – 46,000	2.10	2.52	3.36	3.78	4.20	6.30	9.66	18.06	27.72	53.34	86.52
46,001 – 47,000	2.20	2.64	3.52	3.96	4.40	6.60	10.12	18.92	29.04	55.88	90.64
47,001 – 48,000	2.30	2.76	3.68	4.14	4.60	6.90	10.58	19.78	30.36	58.42	94.76
48,001 – 49,000	2.40	2.88	3.84	4.32	4.80	7.20	11.04	20.64	31.68	60.96	98.88
49,001 – 50,000	2.50	3.00	4.00	4.50	5.00	7.50	11.50	21.50	33.00	63.50	103.00
50,001 – 51,000	2.60	3.12	4.16	4.68	5.20	7.80	11.96	22.36	34.32	66.04	107.12
51,001 – 52,000	2.70	3.24	4.32	4.86	5.40	8.10	12.42	23.22	35.64	68.58	111.24
52,001 – 53,000	2.80	3.36	4.48	5.04	5.60	8.40	12.88	24.08	36.96	71.12	115.36
53,001 – 54,000	2.90	3.48	4.64	5.22	5.80	8.70	13.34	24.94	38.28	73.66	119.48
54,001 – 55,000	3.00	3.60	4.80	5.40	6.00	9.00	13.80	25.80	39.60	76.20	123.60
55,001 – 56,000	3.10	3.72	4.96	5.58	6.20	9.30	14.26	26.66	40.92	78.74	127.72
56,001 – 57,000	3.20	3.84	5.12	5.76	6.40	9.60	14.72	27.52	42.24	81.28	131.84
57,001 – 58,000	3.30	3.96	5.28	5.94	6.60	9.90	15.18	28.38	43.56	83.82	135.96
58,001 – 59,000	3.40	4.08	5.44	6.12	6.80	10.20	15.64	29.24	44.88	86.36	140.08
59,001 – 60,000	3.50	4.20	5.60	6.30	7.00	10.50	16.10	30.10	46.20	88.90	144.20
60,001 – 61,000	3.60	4.32	5.76	6.48	7.20	10.80	16.56	30.96	47.52	91.44	148.32
61,001 – 62,000	3.70	4.44	5.92	6.66	7.40	11.10	17.02	31.82	48.84	93.98	152.44
62,001 – 63,000	3.80	4.56	6.08	6.84	7.60	11.40	17.48	32.68	50.16	96.52	156.56
63,001 – 64,000	3.90	4.68	6.24	7.02	7.80	11.70	17.94	33.54	51.48	99.06	160.68
64,001 – 65,000	4.00	4.80	6.40	7.20	8.00	12.00	18.40	34.40	52.80	101.60	164.80
65,001 – 66,000	4.10	4.92	6.56	7.38	8.20	12.30	18.86	35.26	54.12	104.14	168.92
66,001 – 67,000	4.20	5.04	6.72	7.56	8.40	12.60	19.32	36.12	55.44	106.68	173.04
67,001 – 68,000	4.30	5.16	6.88	7.74	8.60	12.90	19.78	36.98	56.76	109.22	177.16
68,001 – 69,000	4.40	5.28	7.04	7.92	8.80	13.20	20.24	37.84	58.08	111.76	181.28
69,001 – 70,000	4.50	5.40	7.20	8.10	9.00	13.50	20.70	38.70	59.40	114.30	185.40
70,001 – 71,000	4.60	5.52	7.36	8.28	9.20	13.80	21.16	39.56	60.72	116.84	189.52
71,001 – 72,000	4.70	5.64	7.52	8.46	9.40	14.10	21.62	40.42	62.04	119.38	193.64
72,001 – 73,000	4.80	5.76	7.68	8.64	9.60	14.40	22.08	41.28	63.36	121.92	197.76
73,001 – 74,000	4.90	5.88	7.84	8.82	9.80	14.70	22.54	42.14	64.68	124.46	201.88
74,001 – 75,000	5.00	6.00	8.00	9.00	10.00	15.00	23.00	43.00	66.00	127.00	206.00
75,001 – 76,000	5.10	6.12	8.16	9.18	10.20	15.30	23.46	43.86	67.32	129.54	210.12
76,001 – 77,000	5.20	6.24	8.32	9.36	10.40	15.60	23.92	44.72	68.64	132.08	214.24
77,001 – 78,000	5.30	6.36	8.48	9.54	10.60	15.90	24.38	45.58	69.96	134.62	218.36
78,001 – 79,000	5.40	6.48	8.64	9.72	10.80	16.20	24.84	46.44	71.28	137.16	222.48
79,001 – 80,000	5.50	6.60	8.80	9.90	11.00	16.50	25.30	47.30	72.60	139.70	226.60
80,001 – 81,000	5.60	6.72	8.96	10.08	11.20	16.80	25.76	48.16	73.92	142.24	230.72
81,001 – 82,000	5.70	6.84	9.12	10.26	11.40	17.10	26.22	49.02	75.24	144.78	234.84
82,001 – 83,000	5.80	6.96	9.28	10.44	11.60	17.40	26.68	49.88	76.56	147.32	238.96
83,001 – 84,000	5.90	7.08	9.44	10.62	11.80	17.70	27.14	50.74	77.88	149.86	243.08
84,001 – 85,000	6.00	7.20	9.60	10.80	12.00	18.00	27.60	51.60	79.20	152.40	247.20
85,001 – 86,000	6.10	7.32	9.76	10.98	12.20	18.30	28.06	52.46	80.52	154.94	251.32
86,001 – 87,000	6.20	7.44	9.92	11.16	12.40	18.60	28.52	53.32	81.84	157.48	255.44
87,001 – 88,000	6.30	7.56	10.08	11.34	12.60	18.90	28.98	54.18	83.16	160.02	259.56
88,001 – 89,000	6.40	7.68	10.24	11.52	12.80	19.20	29.44	55.04	84.48	162.56	263.68
89,001 – 90,000	6.50	7.80	10.40	11.70	13.00	19.50	29.90	55.90	85.80	165.10	267.80
90,001 – 91,000	6.60	7.92	10.56	11.88	13.20	19.80	30.36	56.76	87.12	167.64	271.92
91,001 – 92,000	6.70	8.04	10.72	12.06	13.40	20.10	30.82	57.62	88.44	170.18	276.04
92,001 – 93,000	6.80	8.16	10.88	12.24	13.60	20.40	31.28	58.48	89.76	172.72	280.16
93,001 – 94,000	6.90	8.28	11.04	12.42	13.80	20.70	31.74	59.34	91.08	175.26	284.28
94,001 – 95,000	7.00	8.40	11.20	12.60	14.00	21.00	32.20	60.20	92.40	177.80	288.40

APPENDIX 5-B VRS GROUP LIFE INSURANCE IMPUTED INCOME TABLE

Annual Salary Rate	Under 25	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 & up
95,001 – 96,000	7.10	8.52	11.36	12.78	14.20	21.30	32.66	61.06	93.72	180.34	292.52
96,001 – 97,000	7.20	8.64	11.52	12.96	14.40	21.60	33.12	61.92	95.04	182.88	296.64
97,001 – 98,000	7.30	8.76	11.68	13.14	14.60	21.90	33.58	62.78	96.36	185.42	300.76
98,001 – 99,000	7.40	8.88	11.84	13.32	14.80	22.20	34.04	63.64	97.68	187.96	304.88
99,001 – 100,000	7.50	9.00	12.00	13.50	15.00	22.50	34.50	64.50	99.00	190.50	309.00
100,001 – 101,000	7.60	9.12	12.16	13.68	15.20	22.80	34.96	65.36	100.32	193.04	313.12
101,001 – 102,000	7.70	9.24	12.32	13.86	15.40	23.10	35.42	66.22	101.64	195.58	317.24
102,001 – 103,000	7.80	9.36	12.48	14.04	15.60	23.40	35.88	67.08	102.96	198.12	321.36
103,001 – 104,000	7.90	9.48	12.64	14.22	15.80	23.70	36.34	67.94	104.28	200.66	325.48
104,001 – 105,000	8.00	9.60	12.80	14.40	16.00	24.00	36.80	68.80	105.60	203.20	329.60
105,001 – 106,000	8.10	9.72	12.96	14.58	16.20	24.30	37.26	69.66	106.92	205.74	333.72
106,001 – 107,000	8.20	9.84	13.12	14.76	16.40	24.60	37.72	70.52	108.24	208.28	337.84
107,001 – 108,000	8.30	9.96	13.28	14.94	16.60	24.90	38.18	71.38	109.56	210.82	341.96
108,001 – 109,000	8.40	10.08	13.44	15.12	16.80	25.20	38.64	72.24	110.88	213.36	346.08
109,001 – 110,000	8.50	10.20	13.60	15.30	17.00	25.50	39.10	73.10	112.20	215.90	350.20
110,001 – 111,000	8.60	10.32	13.76	15.48	17.20	25.80	39.56	73.96	113.52	218.44	354.32
111,001 – 112,000	8.70	10.44	13.92	15.66	17.40	26.10	40.02	74.82	114.84	220.98	358.44
112,001 – 113,000	8.80	10.56	14.08	15.84	17.60	26.40	40.48	75.68	116.16	223.52	362.56
113,001 – 114,000	8.90	10.68	14.24	16.02	17.80	26.70	40.94	76.54	117.48	226.06	366.68
114,001 – 115,000	9.00	10.80	14.40	16.20	18.00	27.00	41.40	77.40	118.80	228.60	370.80
115,001 – 116,000	9.10	10.92	14.56	16.38	18.20	27.30	41.86	78.26	120.12	231.14	374.92
116,001 – 117,000	9.20	11.04	14.72	16.56	18.40	27.60	42.32	79.12	121.44	233.68	379.04
117,001 – 118,000	9.30	11.16	14.88	16.74	18.60	27.90	42.78	79.98	122.76	236.22	383.16
118,001 – 119,000	9.40	11.28	15.04	16.92	18.80	28.20	43.24	80.84	124.08	238.76	387.28
119,001 – 120,000	9.50	11.40	15.20	17.10	19.00	28.50	43.70	81.70	125.40	241.30	391.40
120,001 – 121,000	9.60	11.52	15.36	17.28	19.20	28.80	44.16	82.56	126.72	243.84	395.52
121,001 – 122,000	9.70	11.64	15.52	17.46	19.40	29.10	44.62	83.42	128.04	246.38	399.64
122,001 – 123,000	9.80	11.76	15.68	17.64	19.60	29.40	45.08	84.28	129.36	248.92	403.76
123,001 – 124,000	9.90	11.88	15.84	17.82	19.80	29.70	45.54	85.14	130.68	251.46	407.88
124,001 – 125,000	10.00	12.00	16.00	18.00	20.00	30.00	46.00	86.00	132.00	254.00	412.00
125,001 – 126,000	10.10	12.12	16.16	18.18	20.20	30.30	46.46	86.86	133.32	256.54	416.12
126,001 – 127,000	10.20	12.24	16.32	18.36	20.40	30.60	46.92	87.72	134.64	259.08	420.24
127,001 – 128,000	10.30	12.36	16.48	18.54	20.60	30.90	47.38	88.58	135.96	261.62	424.36
128,001 – 129,000	10.40	12.48	16.64	18.72	20.80	31.20	47.84	89.44	137.28	264.16	428.48
129,001 – 130,000	10.50	12.60	16.80	18.90	21.00	31.50	48.30	90.30	138.60	266.70	432.60
130,001 – 131,000	10.60	12.72	16.96	19.08	21.20	31.80	48.76	91.16	139.92	269.24	436.72
131,001 – 132,000	10.70	12.84	17.12	19.26	21.40	32.10	49.22	92.02	141.24	271.78	440.84
132,001 – 133,000	10.80	12.96	17.28	19.44	21.60	32.40	49.68	92.88	142.56	274.32	444.96
133,001 – 134,000	10.90	13.08	17.44	19.62	21.80	32.70	50.14	93.74	143.88	276.86	449.08
134,001 – 135,000	11.00	13.20	17.60	19.80	22.00	33.00	50.60	94.60	145.20	279.40	453.20
135,001 – 136,000	11.10	13.32	17.76	19.98	22.20	33.30	51.06	95.46	146.52	281.94	457.32
136,001 – 137,000	11.20	13.44	17.92	20.16	22.40	33.60	51.52	96.32	147.84	284.48	461.44
137,001 – 138,000	11.30	13.56	18.08	20.34	22.60	33.90	51.98	97.18	149.16	287.02	465.56
138,001 – 139,000	11.40	13.68	18.24	20.52	22.80	34.20	52.44	98.04	150.48	289.56	469.68
139,001 – 140,000	11.50	13.80	18.40	20.70	23.00	34.50	52.90	98.90	151.80	292.10	473.80
140,001 – 141,000	11.60	13.92	18.56	20.88	23.20	34.80	53.36	99.76	153.12	294.64	477.92
141,001 – 142,000	11.70	14.04	18.72	21.06	23.40	35.10	53.82	100.62	154.44	297.18	482.04
142,001 – 143,000	11.80	14.16	18.88	21.24	23.60	35.40	54.28	101.48	155.76	299.72	486.16
143,001 – 144,000	11.90	14.28	19.04	21.42	23.80	35.70	54.74	102.34	157.08	302.26	490.28
144,001 – 145,000	12.00	14.40	19.20	21.60	24.00	36.00	55.20	103.20	158.40	304.80	494.40
145,001 – 146,000	12.10	14.52	19.36	21.78	24.20	36.30	55.66	104.06	159.72	307.34	498.52
146,001 – 147,000	12.20	14.64	19.52	21.96	24.40	36.60	56.12	104.92	161.04	309.88	502.64
147,001 – 148,000	12.30	14.76	19.68	22.14	24.60	36.90	56.58	105.78	162.36	312.42	506.76
148,001 – 149,000	12.40	14.88	19.84	22.32	24.80	37.20	57.04	106.64	163.68	314.96	510.88
149,001 – 150,000	12.50	15.00	20.00	22.50	25.00	37.50	57.50	107.50	165.00	317.50	515.00
150,001 – 151,000	12.60	15.12	20.16	22.68	25.20	37.80	57.96	108.36	166.32	320.04	519.12
151,001 – 152,000	12.70	15.24	20.32	22.86	25.40	38.10	58.42	109.22	167.64	322.58	523.24
152,001 – 153,000	12.80	15.36	20.48	23.04	25.60	38.40	58.88	110.08	168.96	325.12	527.36
153,001 – 154,000	12.90	15.48	20.64	23.22	25.80	38.70	59.34	110.94	170.28	327.66	531.48
154,001 – 155,000	13.00	15.60	20.80	23.40	26.00	39.00	59.80	111.80	171.60	330.20	535.60
155,001 – 156,000	13.10	15.72	20.96	23.58	26.20	39.30	60.26	112.66	172.92	332.74	539.72
156,001 – 157,000	13.20	15.84	21.12	23.76	26.40	39.60	60.72	113.52	174.24	335.28	543.84
157,001 – 158,000	13.30	15.96	21.28	23.94	26.60	39.90	61.18	114.38	175.56	337.82	547.96
158,001 – 159,000	13.40	16.08	21.44	24.12	26.80	40.20	61.64	115.24	176.88	340.36	552.08
159,001 – 160,000	13.50	16.20	21.60	24.30	27.00	40.50	62.10	116.10	178.20	342.90	556.20
160,001 – 161,000	13.60	16.32	21.76	24.48	27.20	40.80	62.56	116.96	179.52	345.44	560.32
161,001 – 162,000	13.70	16.44	21.92	24.66	27.40	41.10	63.02	117.82	180.84	347.98	564.44
162,001 – 163,000	13.80	16.56	22.08	24.84	27.60	41.40	63.48	118.68	182.16	350.52	568.56
163,001 – 164,000	13.90	16.68	22.24	25.02	27.80	41.70	63.94	119.54	183.48	353.06	572.68
164,001 – 165,000	14.00	16.80	22.40	25.20	28.00	42.00	64.40	120.40	184.80	355.60	576.80
165,001 – 166,000	14.10	16.92	22.56	25.38	28.20	42.30	64.86	121.26	186.12	358.14	580.92

## APPENDIX 5-B VRS GROUP LIFE INSURANCE IMPUTED INCOME TABLE

Annual Salary Rate	Under 25	25 to 29	30 to 34	35 to 39	40 to 44	45 to 49	50 to 54	55 to 59	60 to 64	65 to 69	70 & up
166,001 – 167,000	14.20	17.04	22.72	25.56	28.40	42.60	65.32	122.12	187.44	360.68	585.04
167,001 – 168,000	14.30	17.16	22.88	25.74	28.60	42.90	65.78	122.98	188.76	363.22	589.16
168,001 – 169,000	14.40	17.28	23.04	25.92	28.80	43.20	66.24	123.84	190.08	365.76	593.28
170,001 – 171,000	14.50	17.40	23.20	26.10	29.00	43.50	66.70	124.70	191.40	368.30	597.40
171,001 – 172,000	14.70	17.64	23.52	26.46	29.40	44.10	67.62	126.42	194.04	373.38	605.64
172,001 – 173,000	14.80	17.76	23.68	26.64	29.60	44.40	68.08	127.28	195.36	375.92	609.76
173,001 – 174,000	14.90	17.88	23.84	26.82	29.80	44.70	68.54	128.14	196.68	378.46	613.88
174,001 – 175,000	15.00	18.00	24.00	27.00	30.00	45.00	69.00	129.00	198.00	381.00	618.00
175,001 – 176,000	15.10	18.12	24.16	27.18	30.20	45.30	69.46	129.86	199.32	383.54	622.12
176,001 – 177,000	15.20	18.24	24.32	27.36	30.40	45.60	69.92	130.72	200.64	386.08	626.24
177,001 – 178,000	15.30	18.36	24.48	27.54	30.60	45.90	70.38	131.58	201.96	388.62	630.36
178,001 – 179,000	15.40	18.48	24.64	27.72	30.80	46.20	70.84	132.44	203.28	391.16	634.48
179,001 – 180,000	15.50	18.60	24.80	27.90	31.00	46.50	71.30	133.30	204.60	393.70	638.60
180,001 – 181,000	15.60	18.72	24.96	28.08	31.20	46.80	71.76	134.16	205.92	396.24	642.72
181,001 – 182,000	15.70	18.84	25.12	28.26	31.40	47.10	72.22	135.02	207.24	398.78	646.84
182,001 – 183,000	15.80	18.96	25.28	28.44	31.60	47.40	72.68	135.88	208.56	401.32	650.96
183,001 – 184,000	15.90	19.08	25.44	28.62	31.80	47.70	73.14	136.74	209.88	403.86	655.08
184,001 – 185,000	16.00	19.20	25.60	28.80	32.00	48.00	73.60	137.60	211.20	406.40	659.20
185,001 – 186,000	16.10	19.32	25.76	28.98	32.20	48.30	74.06	138.46	212.52	408.94	663.32
186,001 – 187,000	16.20	19.44	25.92	29.16	32.40	48.60	74.52	139.32	213.84	411.48	667.44
187,001 – 188,000	16.30	19.56	26.08	29.34	32.60	48.90	74.98	140.18	215.16	414.02	671.56
188,001 – 189,000	16.40	19.68	26.24	29.52	32.80	49.20	75.44	141.04	216.48	416.56	675.68
189,001 – 190,000	16.50	19.80	26.40	29.70	33.00	49.50	75.90	141.90	217.80	419.10	679.80
190,001 – 191,000	16.60	19.92	26.56	29.88	33.20	49.80	76.36	142.76	219.12	421.64	683.92
191,001 – 192,000	16.70	20.04	26.72	30.06	33.40	50.10	76.82	143.62	220.44	424.18	688.04
192,001 – 193,000	16.80	20.16	26.88	30.24	33.60	50.40	77.28	144.48	221.76	426.72	692.16
193,001 – 194,000	16.90	20.28	27.04	30.42	33.80	50.70	77.74	145.34	223.08	429.26	696.28
194,001 – 195,000	17.00	20.40	27.20	30.60	34.00	51.00	78.20	146.20	224.40	431.80	700.40
195,001 – 196,000	17.10	20.52	27.36	30.78	34.20	51.30	78.66	147.06	225.72	434.34	704.52
196,001 – 197,000	17.20	20.64	27.52	30.96	34.40	51.60	79.12	147.92	227.04	436.88	708.64
197,001 – 198,000	17.30	20.76	27.68	31.14	34.60	51.90	79.58	148.78	228.36	439.42	712.76
198,001 – 199,000	17.40	20.88	27.84	31.32	34.80	52.20	80.04	149.64	229.68	441.96	716.88
199,001 – 200,000	17.50	21.00	28.00	31.50	35.00	52.50	80.50	150.50	231.00	444.50	721.00