

## Life Insurance

### Employee Life Insurance Coverage Options

As an employee you will receive life insurance in the amount of \$50,000 (core) at no cost to you. In addition to the core benefit you have four levels of coverage to choose from with cost based on your salary and age.

Core coverage - \$50,000 (no cost)

One times salary plus Core

Two times salary (including Core)

Two times salary plus Core

You must contribute towards the cost of any level of coverage you elect beyond the core.

### Rates

Life insurance rates are calculated based on your current base salary excluding overtime, bonuses, or any additional compensation, and your age as of January 1 of each year. Recalculation of your life insurance premium will occur when your salary changes and/or you move to the next age band.

### Imputed Income

Under federal tax rules, the cost of life insurance coverage in excess of \$50,000 paid for on a pre-tax basis is considered "imputed" income, which is taxable to you. The imputed income amount will appear on your W-2 form.

### Evidence of Insurability

You are required to provide evidence of insurability—a statement of good health—if you elect to increase your life insurance coverage during open enrollment or a qualifying status change, by more than one level (e.g., you increase coverage from Core to Two times salary). You can obtain an Evidence of Insurability form from your local Human Resources office.

Your existing level of coverage will remain in effect while the insurer reviews your evidence of insurability form. If the insurer does not approve the additional coverage, your coverage will remain at the previous level.

## Beneficiary and Assignment of Benefits

### Your Beneficiary

Your designated beneficiary is the person or persons who will receive any benefit payable under the Life Insurance Plan. You may change the beneficiary at any time by filing a new form with your local Human Resources office. If you name more than one beneficiary, they will share in the benefits equally, unless you specify otherwise.

You have the option of naming a contingent (secondary) beneficiary for your Life Insurance benefit. A contingent beneficiary will receive benefits only if no primary beneficiary(ies) survives you.

If, at your death, you have no beneficiary, the insurer may, at its option, pay the executors or administrators of your estate; or your surviving relatives in the following order: a) all to your surviving spouse or domestic partner; or b) if your spouse or domestic partner does not survive you, in equal shares to your surviving children; or c) if no child survives you, in equal shares to your surviving parents; or d) if no spouse, child, or parent survives you, in equal shares to your brothers and sisters. If you have named a beneficiary who is a minor at the time of your death, and if the minor does not have a legal guardian, the insurer may, until a legal guardian is appointed, pay the person it deems to be caring for and supporting the minor.

***Be sure to keep your beneficiary designation up to date.***

### **Assignment of Benefits**

You may assign your Life Insurance Plan benefit. Assignment is the ***irrevocable*** transfer by you to another person, persons, or organizations of all rights of ownership, both present and future, relating to the assigned insurance. This means that you no longer have any rights regarding your coverage and benefits and this decision cannot be reversed.

Think carefully before you assign your benefits. You may want to discuss it with a lawyer or tax advisor. Once you have completed the forms and they have been filed and accepted by the insurer, you cannot reverse the assignment.

### **Dependent Life Insurance**

If you wish to have protection for your family, you can purchase Dependent Life Insurance. You may elect \$20,000 coverage for your spouse/domestic partner and \$4,000 coverage for each child. You will automatically be named beneficiary of any life insurance purchased for your spouse or dependent children.

### **Business Travel Life Insurance**

Business Travel life insurance provides protection in the event your death is the direct result of an accident occurring while traveling on NYPA business, as long as your trip entitles you to expense reimbursement. Your regular commute to and from work is not covered.

This coverage is effective on you first day of work with NYPA. If you are on a Leave of Absence this coverage will be suspended until you return to work.

### **Cost**

NYPA pays the cost of your Business Travel coverage.

Benefits are paid in a single lump sum of \$250,000 to the beneficiary you designated under your Life Insurance Plan. Benefits are payable in addition to any life insurance benefits for which you may be eligible.

If an accident involves a group of employees traveling together on an aircraft, the maximum combined benefit payment for the accident will be \$2,500,000. This benefit will be distributed proportionately among the persons entitled to receive benefits.