



ADMINISTRATIVE PROCEDURE

SAN DIEGO UNIFIED SCHOOL DISTRICT

NO: 7126

PAGE: 1 OF 5

CATEGORY: **Personnel, Insurance**

EFFECTIVE: **1-01-76**

SUBJECT: **Group Life Insurance Plans**

REVISED: **10-12-2001**

A. PURPOSE AND SCOPE

1. To outline administrative procedures governing district-sponsored group life insurance coverage available to eligible employees and their eligible dependents.

B. LEGAL AND POLICY BASIS

1. **Reference:** Board policy I-1920.

C. GENERAL

1. **Originating Office.** Suggestions or questions concerning this procedure should be directed to the Employee Benefits Unit, Employee Services Department, Human Resource Services Division, Administrative Operational Support.
2. **Life Insurance Plans**
 - a. **Basic life insurance plan**
 - (1) **Eligibility.** Monthly salaried employees working half-time or more are eligible for coverage. Eligible employees are **automatically enrolled** for coverage. Coverage is effective on the first day of the month following the first day of paid service in a monthly salaried position of half time or more, provided the employee is actively at work when the employee becomes eligible for coverage. This basic life insurance plan is provided at district expense.
 - (2) **Amount of coverage.** The amount of coverage is equal to one times the eligible employee's annual salary. Annual salary shall be the monthly salary in effect on the last day of paid service times the number of months in the eligible employee's normal assignment year. The amount of coverage may change as a result of the collective bargaining process.
 - (3) **Beneficiary order.** Unless a beneficiary designation form is on file, benefits will be paid automatically in the following order:

Employee's legal spouse; otherwise,

Employee's children, in equal shares; otherwise,

Employee's parents, in equal shares; otherwise,

Employee's brothers and sisters, in equal shares; otherwise,

Employee's estate.

- (4) **Leave of absence.** An employee covered by the basic life insurance plan may continue coverage during any approved unpaid leave of absence by paying the required contribution to the district within 31 days of the date such coverage normally would terminate because of termination of active service.
- (5) **Termination of coverage.** Employee coverage terminates at the end of the month following the month in which paid service in the eligible monthly salaried position ceases, except if paid service ceases in June or July, coverage continues through September 30 of the same year.

b. **Voluntary life insurance**

- (1) A monthly employee working half-time or more may purchase additional voluntary decreasing term life insurance for him/herself, spouse, and/or eligible dependents on a self-pay basis through automatic payroll deduction on a tenthly basis each month, September through June. Coverage is effective on the first day of the month following the first payroll deduction, provided the employee is actively at work and required application procedures have been followed.
- (2) An eligible employee must purchase voluntary life insurance for him/herself in order to purchase voluntary life insurance for an eligible spouse and/or eligible dependents.
- (3) Dependents
 - (a) An eligible employee's legal spouse who has not entered a final decree of divorce or annulment from the employee, and is not on active duty as a member of the armed forces.
 - (b) An eligible employee's unmarried child (including any stepchild, legally adopted child, or child for whom the employee is named legal guardian by court order) who 1) is at least 14 days old, 2) has not attained his/her nineteenth birthday, 3) is not covered for benefits

as an employee, and 4) is not on active duty as a member of the armed forces.

- (c) An eligible employee's unmarried child (including any stepchild, legally adopted child, or child for whom the employee is named legal guardian by court order) who 1) is at least nineteen years of age but less than twenty-three years of age, 2) is primarily dependent upon the employee for support and maintenance; and 3) attends an accredited college, university, or vocational/technical school as a full-time student, and 4) is not on active duty as a member of the armed forces.
 - (d) Dependents who are in active, full-time military service are not eligible for coverage.
 - (e) A person insured as an employee may not be covered as a spouse or dependent of another employee in the district.
- (4) **Leave of absence.** An employee covered by the voluntary employee life insurance plan may continue coverage during any approved unpaid leave of absence by paying the required contribution to the district for him/herself, covered spouse, and/or covered dependents, if applicable within 31 days of the date such coverage normally would terminate because of termination of active service.
- (5) **Termination of coverage.** Coverage terminates on the first of the following to occur:
- (a) The end of the month following the month in which paid service in the eligible monthly salaried position ceases, except if paid service ceases in June or July, coverage continues through September 30 of the same year.
 - (b) The last day of the month for which contributions have been received by the Employee Benefits Unit.

3. **Enrollment**

- a. Eligible employees are automatically enrolled in the basic life plan and do not complete an enrollment application.

- b. To enroll in the voluntary life insurance plan, eligible employees must complete an application form; and mail the completed application form and payroll deduction authorization card to the insurance company for approval. If application is made **within 31 days** of the date an employee first becomes eligible for coverage, a guaranteed minimum amount will be issued without evidence of good health. If application is not made **within 31 days** of eligibility, coverage is subject to the insurance company's approval.

4. **Employee Benefits Unit**

- a. Provides forms and payroll deduction cards and answers questions.
- b. Determines employee eligibility for coverage.
- c. Processes payroll deduction cards.
- d. Assists employees or surviving beneficiaries in filing claims.
- e. Works with insurance carriers to interpret policy provisions.
- f. Computes premium paid by the district and by employee contribution; informs the Accounting Department, Finance Division, Administrative Operational Support, and requests a warrant for payment of employee contribution premiums.
- g. Sends billings and collects premiums from retirees and employees on district-approved unpaid leaves of absence, and transmits to the Accounting Department.
- h. Transmits payments, payroll deduction registers, and eligibility list to the insurance carrier.
- i. Provides the Budget Department, Finance Division, Administrative Operational Support, and insurance carrier with statistical data as requested.

- 5. **Accounting Department** receives payment request from Employee Services Unit; verifies totals, and draws warrants to pay premiums due the insurance carrier.

SUBJECT: **Group Life Insurance Plans**

NO: **7126**

PAGE: **5 OF 5**

EFFECTIVE: **1-01-76**

REVISED: **10-12-2001**

D. IMPLEMENTATION (Section C.)

E. FORMS AND AUXILIARY REFERENCES (All forms are available from the Employee Services Department)

1. Life insurance plan brochure, supplied to new employees by the Human Resource Services Division
2. Application packet for voluntary life insurance plans
3. Payroll deduction cards
4. Special beneficiary designation form

F. REPORTS AND RECORDS

G. APPROVED BY



Chief of Staff, Terrance L. Smith
For the Superintendent of Public Education