

Term Life Insurance

In addition to health insurance coverage, employees receive term life insurance coverage for themselves at no charge. The life insurance is valued at \$12,000 plus one and one-half the amount of the employee's annual wage. "Annual wage" for hourly employees will be calculated at the regular hourly pay rate times 2080 hours, or the scheduled hours, if less than 2080. Life insurance payments to your beneficiary, upon your death, are not taxable. Your policy is for term life insurance and therefore no cash value accrues. Life insurance coverage for active employees is reduced by 35% at age 65 and by 50% at age 70 if you are still working. All insurance ends on your last day of employment unless you are on a benefit eligible leave. The plan is convertible to a private policy with our insurance carrier if you terminate your employment at the College or move to a classification of employment that is not eligible for life insurance benefits and have been employed by the College for at least 5 years.

Should the face value of your life insurance exceed \$50,000, IRS requires that the premium cost for coverage in excess of \$50,000 be considered a taxable benefit. The value coverage above \$50,000 will be treated as "other income" to you and listed on your year-end W-2 form.