

Your Life Insurance Coverage

UPDATED 2007

Do you have a family or others who depend on you for support? Then, for you, life insurance is not a luxury...it is a necessity.

To help safeguard your family's future, The Sound Partnership offers the following life insurance coverage.

- **Basic Life Insurance.** This plan will pay a \$25,000 benefit if you die while insured. Coverage is automatic for eligible employees.
- **Optional Life Insurance.** This plan allows you to purchase additional life insurance for yourself in coverage levels of 1, 2, 3, 4 or 5 times annual earnings up to \$500,000.
- **Dependent Life Insurance.** You may buy coverage for your spouse/domestic partner equal to \$12,500 (50% of your Basic Life amount) and \$5,000 for each of your children.

This brochure includes highlights of The Sound Partnership's Basic Life, Optional Life, and Dependent Life plans, which are administered by Standard Insurance Company. To help you better understand your life insurance benefits, a *Life Insurance Dictionary* has been included on page 8.

For more details about the plans, please contact The Sound Partnership at **(253) 571-1240** or at **(253) 571-1103**.



This is intended only as a highlights of the plan—it is not a summary plan description. If there is a conflict between these highlights and the official plan documents, the official plan documents will prevail. The Sound Partnership reserves the right to amend or terminate the plan or any plan provision at any time. This is not an employment contract or a guarantee to continue employment for any length of time.

About the Basic Life Insurance Plan

If you die while insured, this plan will pay your beneficiary a benefit of \$25,000.

Who Is Eligible

You are eligible for Basic Life Insurance if you work half-time (.5 FTE) or more and you are an employee of Tacoma School District #10.

Exception: You are not eligible if you are a temporary or seasonal worker or if you belong to a bargaining group which has declined to participate in this plan.

Cost

The Sound Partnership pays the full monthly cost of your Basic Life coverage. There is no cost to you.

When Coverage Begins

- If you are employed *on the first working day* of the month, coverage will begin immediately.
- If you are employed *on or after the second working day* of the month, coverage will begin the first of the following month.

When Coverage Ends

Coverage ends on the earliest of these dates:

- The last day of the month in which you cease active work, end employment or are otherwise no longer an eligible employee unless the School District allows coverage to continue for sickness, injury, leave of absence, lay off, or labor dispute.
- The date the plan terminates.

After Coverage Ends

After coverage ends, you may be able to buy continued life insurance coverage at group rates. This continued coverage is available for up to two years after your coverage through The Sound Partnership ends unless your coverage ends due to your retirement. At the end of the two-year period, you may be able to buy ("convert to") an individual life insurance policy.

Coverage Amount

Basic Life Insurance coverage is \$25,000.

Employees Age 65 or Older

Coverage is \$16,250 for employees age 65 through 69 and \$12,500 for employees age 70 or older.

About the Optional Life Insurance Plan

You may purchase additional life insurance coverage for yourself through the Optional Life Insurance Plan. Your maximum coverage amount depends on when you enroll in the plan.

Who Is Eligible

You are eligible for this plan if you are eligible for Basic Life Insurance.

Cost

You pay a monthly cost for Optional Life through payroll deduction. Your cost depends on your age and the coverage amount you elect.

When Coverage Begins

Optional Life Insurance coverage will begin as follows:

- **Initial enrollment.** If you enroll within 30 days after you first become eligible, your coverage will begin effective the first of the month falling on or following your date of hire.
- **Anytime after 30 days of your initial enrollment.** If you elect Optional Life coverage 30 days after you become eligible or increase your Optional Life coverage amount, your coverage will begin the later of the first day of the month coinciding with or following the date you apply, or the date Standard Life Insurance Company approves your *evidence of good health*. If you elect or increase your coverage during annual enrollment, your coverage will begin the later of January 1 of the following year or the date Standard Insurance Company approves your *evidence of good health*.

To elect Optional Life, you must complete and submit an enrollment form to The Sound Partnership. Depending on the Optional Life coverage amount you elect and when you enroll, you may have to provide *evidence of good health*—in which case, your coverage election must be approved by Standard Insurance Company before it becomes effective.

Enrollment forms and *evidence of good health forms* are available from The Sound Partnership.

When Coverage Ends

Coverage ends the earliest of these dates:

- The last day of the month you cease active work or end employment unless the School District allows coverage to continue for sickness, injury, leave of absence, lay off, or labor dispute.
- The last day of the period for which you have paid the cost of this coverage.
- The date the plan terminates.
- On your 70th birthday.

After Coverage Ends

After your Optional Life Insurance coverage ends, you may be able to buy continued life insurance coverage at group rates. This continued coverage is available for up to two years after your coverage through The Sound Partnership ends unless your coverage ends due to your retirement. At the end of the two-year period, you may be able to buy (“convert to”) an individual life insurance policy.

Coverage Level

You may choose Optional Life Insurance equal to 1, 2, 3, 4 or 5 times your annual earnings.

Coverage Amount

As of January 1, 2007, the maximum coverage amount is \$500,000 regardless of the coverage level. To determine your coverage amount, the plan...

- Rounds your yearly pay up to the next \$10,000 and
- Multiplies this amount times the coverage level you have elected—1, 2, 3, 4 or 5 times annual earnings, up to \$500,000.

Benefits from Optional Life are in addition to the \$25,000 Basic Life benefit.

An example...

Your annual earnings are \$56,000 and you have elected Optional Life Insurance coverage of 3 times your annual earnings. Your Optional Life coverage amount is determined as follows:

Annual earnings of \$56,000 rounded to the next \$10,000	\$60,000
times coverage level	x 3
	<hr/>
Coverage amount	\$180,000

If you were to die while covered, the plan would pay your beneficiary a total of **\$205,000** (\$25,000 from Basic Life plus \$180,000 from Optional Life).

Prior to January 1, 2007, the coverage amount was limited as follows:

Coverage level	Maximum coverage amount
1 x annual earnings	\$50,000
2 x annual earnings	\$100,000
3 x annual earnings	\$150,000
4 x annual earnings	\$200,000
5 x annual earnings	\$250,000

If you retained your current Optional Life coverage level and coverage amount, the plan...

- Rounds your yearly pay up to the next \$10,000 and
- Multiplies this amount times the coverage level you have elected—1, 2, 3, 4, or 5 times up to the maximum coverage amount per level.

An example...

Your annual earnings are \$56,000 and your Optional Life Insurance coverage level is 3 times your annual earnings. Your Optional Life coverage amount is determined as follows:

Annual earnings of \$56,000 rounded to the next \$10,000	\$60,000
times coverage level	x 3

Maximum coverage amount **\$150,000***

*Prior to January 1, 2007, coverage amount was limited. See page 4.

If you were to die while covered, the plan would pay your beneficiary a total of **\$175,000** (\$25,000 from Basic Life plus \$150,000 from Optional Life).

Note: You may increase your maximum coverage amount at anytime, however, you will be required to provide *evidence of good health* to Standard Insurance. See the glossary for a definition of evidence of good health.

Evidence of Good Health

In certain circumstances, you must submit an *evidence of good health* form to the Standard Insurance Company before Optional Life insurance becomes effective. Evidence of good health forms are available from The Sound Partnership. Evidence of good health is required as follows:

- **Within 30 days of initial enrollment (when you are first eligible).** If you elect Optional Life coverage within 30 days after you first become eligible, evidence of good health is required for coverage greater than 2 times your annual earnings or for any amount over \$200,000. No evidence is required if you choose 1 or 2 times annual earnings limited to \$200,000.
- **Anytime after 30 days of your initial enrollment.** If you elect Optional Life coverage 30 days after you become eligible or increase your Optional Life coverage amount, evidence of good health is required. No evidence is required if you have a qualified change in family status and you choose 1 or 2 times annual earnings limited to \$200,000.

Exception: Evidence of good health is not required for the increased amount you receive from your normal salary increase up to \$200,000.

Note: If your evidence of good health was not approved during a prior request, you will not be eligible to add or increase Optional Life coverage.

If You Are Retired

If you are under age 65 when you retire, you may continue coverage equal to the amount in effect the day before retirement. This coverage may continue until you reach age 65.

About the Dependent Life Insurance Plan

This *optional* plan lets you buy life insurance for your spouse/domestic partner and dependent children.

Who Is Eligible

If you are eligible for Basic Life, you may enroll your *spouse/domestic partner only*, your *children only* or your *spouse/domestic partner and children* for Dependent Life. Eligible family members include your spouse/domestic partner under age 70 and unmarried dependent children (including your domestic partner's children) birth through age 24 years. Disabled children may be covered past the normal age limits if they are enrolled for coverage and approved by the plan before age 25.

Cost

You pay the monthly cost of Dependent Life Insurance through payroll deduction. For spouse/domestic partner coverage, your cost is based on your current age. For children's coverage, you pay \$1.00 per month no matter how many eligible children you have.

When Coverage Begins

Dependent Life coverage for enrolled family members will begin as follows:

- **Initial enrollment.** You may enroll within 30 days after you first become eligible, with coverage effective the first day of the month falling on or following your date of hire.
- **Anytime after 30 days of your initial enrollment.** If you elect Dependent Life coverage 30 days after you become eligible, your dependent's coverage will begin the later of the first day of the month coinciding with or following the date you apply, or the date Standard Insurance Company approves your dependent's *evidence of good health*. If you elect dependent life during annual enrollment, your dependent's coverage will begin the later of January 1 of the following year or the date Standard Insurance Company approves your dependent's evidence of good health.

Note: No evidence is required for your dependents if you elect dependent coverage within 31 days of a qualified change in family status through marriage, commencement of a domestic partnership, birth or adoption.

To enroll your family for Dependent Life coverage, you must complete and submit an enrollment form to the Benefits Department. Enrollment forms and *evidence of good health forms* are available from The Sound Partnership.

When Coverage Ends

Coverage for your dependents ends on the earliest of these dates:

- The last day of the month in which you cease active work or end employment unless the school district and The Sound Partnership allow coverage to continue for sickness, injury, leave of absence, lay off, or labor dispute.
- For an individual family member, when that person ceases to be your dependent.
- The last day of the period for which you have paid the cost of this coverage.
- The date the plan terminates.
- The date you turn 70.
- For a disabled child, 90 days after Standard Insurance Company mails you a request for proof of disability, if proof is not given.

Coverage Amount

Your spouse's/domestic partner's benefit is \$12,500—50% of your Basic Life amount. Each enrolled child is covered for \$5,000.

If Your Spouse/Domestic Partner Is Age 70 or Older

Dependent Life benefits are not available for a spouse/domestic partner age 70 or older.

If You Are Retired

Dependent Life benefits are not available on or after the date you retire.

Life Insurance Dictionary

Actively at work: If, due to disability—illness, injury or pregnancy—you are not actively at work on the day life insurance coverage is supposed to begin, coverage will be delayed until you return to active work. If you are not actively at work on the day your life insurance is supposed to increase, the increase will not go into effect until you return to work.

Annual earnings: “Annual earnings” means your base wage rate. Any increase in your life insurance benefit which is due to an increase in your annual earnings will take place on the next January 1 following the increase in earnings.

Beneficiary: The person you name to receive a benefit if you die. You may name anyone you wish as your beneficiary and you may name more than one beneficiary. You are the beneficiary of any dependent life insurance. To change your beneficiary, simply complete a new *Benefits Enrollment Form*.

Conversion privilege: After coverage ends, you may be able to buy (“convert to”) an individual life insurance policy for you and/or your dependents. The terms, costs and benefits of the individual policy may differ substantially from those of the group plans. No proof of good health is required if you apply within 31 days after group coverage ends.

Evidence of good health: A health questionnaire, doctor’s statement or physical examination that you may be required to provide before the insurance company will approve your elected Optional coverage or life insurance for your dependents.

Guaranteed issue: Insurance coverage that does not require you to provide evidence of good health.