

The importance of life insurance

October 13, 2015



Why is life insurance so important?

- Even though we practice safety in everything we do, accidents happen on and off the job everyday
- You have loved ones who depend on you financially—the more people who depend on you, the more coverage you may need
- If you have younger children, you need more coverage to plan for the long-term

Participation rates are low for IBEW 1245 members

Insurance Coverage as of July 2015	Age < 40	Age > 40
Supplemental Life	22%	66%
Accidental Death and Dismemberment (AD&D)	16%	15%

Your PG&E life and accident insurance options

- What basic coverage do I automatically get as a PG&E employee?
- What are my options to buy additional coverage?
- How do I to enroll?
- How does Workers' Compensation and Social Security death benefits play into my financial safety net planning?

Your basic coverage: Company-paid at no cost to you

All regular-status PG&E employees automatically receive:

- **Basic Life insurance** of \$10,000
 - No matter the cause of death, Basic Life provides \$10,000 to your beneficiaries
- **Basic Accidental Death and Dismemberment (AD&D)** insurance of \$10,000
 - If you have an accident that results in a loss of life, speech and hearing in both ears or paralysis of both arms or both legs, Basic AD&D provides \$10,000 to your beneficiaries
 - A portion of the \$10,000 benefit is available for a list of other losses
- **Total benefit** of \$20,000 for accidental death



Your basic coverage: Company-paid at no cost to you

- **Travel Assistance Services** provides you and your dependents with medical, legal and financial help 24 hours a day, 365 days a year (when 100+ miles away from home)
- **Air Bag Benefit:** If you die as a result of a car accident, where air bags were deployed, your beneficiaries will get an extra 10% of the full amount of the coverage
 - Seat belt must have been worn to receive payout
 - Maximum benefit is \$10,000
- **Seat Belt Benefit:** If you die as a result of a car accident, and had your seat belt on, your beneficiaries will get an extra 10% of the full amount of coverage
 - Maximum benefit is \$25,000
 - If air bag deploys and you were wearing seat belt, your beneficiaries will receive both benefits (air bag and seat belt)

You can enroll anytime

You can opt for additional coverage all year round on **mypgbenefits.com** or call the **PG&E Benefits Service Center:**

- Answer no health questions to request Supplemental Life insurance of up to two times your annual base pay
- Complete a Statement of Health form to request:
 - Supplemental Life insurance for three to six times your annual base pay
 - Spouse/Domestic Partner Dependent Life insurance
- Add Voluntary AD&D insurance of up to six times your annual base pay for yourself and your dependents
 - No health questions asked

Not sure how much coverage you may need?

- Life Insurance Estimator - helps you project coverage amounts and future expenses



Supplemental Life insurance

- Supplemental Life insurance pays a benefit to your beneficiaries when you die
- For coverage of \$50,000 or one to two times your base annual pay
 - No health questions
- For coverage of three to six times your base annual pay
 - Statement of Health form
- Maximum coverage amount of \$1,000,000
- Payments for your coverage are made through after-tax payroll deductions

Employee Supplemental Life Insurance Options	
Age	Monthly rates per \$1,000 of coverage
Under 25	\$ 0.100
25-29	\$ 0.120
30-34	\$ 0.140
35-39	\$ 0.150
40-44	\$ 0.180
45-49	\$ 0.280
50-54	\$ 0.355
55-59	\$ 0.355
60+	\$ 0.395

If a 35-year old employee purchased \$100,000 coverage, the monthly cost would be ~\$15.

Dependent Life insurance

Dependent Life insurance pays a benefit if a family member dies

Spouse/Domestic Partner plan:

- For coverage of \$10,000, \$25,000, \$50,000, \$75,000 or \$100,000
- Statement of Health form
- Cost is based on your age at end of year
- Maximum benefit is 50% of employee's coverage

Dependent Life for Spouse/Domestic Partner	
Employee age	Monthly rate per \$1,000 of coverage
Under 30	\$ 0.060
30-34	\$ 0.080
35-39	\$ 0.090
40-44	\$ 0.100
45-49	\$ 0.150
50-54	\$ 0.230
55-59	\$ 0.430

If a 35-year old employee purchased \$50,000 coverage for his/her spouse or domestic partner, the monthly cost would be ~\$4.50.

Dependent Life insurance

Under the Children plan, insurance pays a benefit if your child dies

Children plan:

- For coverage of \$5,000, \$10,000 or \$25,000
 - No health questions
- The monthly rate covers all children in the family

Dependent Life for Children	
Coverage Amount	Monthly Rate
\$5,000	\$0.42
\$10,000	\$0.84
\$25,000	\$2.10

Additional benefits when enrolled in Supplemental Life

Will Preparation Services

- Will Preparation Service through Hyatt Legal Plan to prepare a will, health directive, testamentary trust and a power of attorney
- No charge when you use a participating network attorney
 - An out-of-network reimbursement option is also available

Estate Resolution Services

- A Hyatt Legal Plan attorney will consult with your beneficiaries by phone or in person about the probate process for your estate
- The attorney also will handle the probate of your estate for your executor or administrator
- No charge for estate resolution services

Voluntary AD&D insurance

In the event of an accidental death or serious injury, Voluntary AD&D insurance gives you protection and pays in addition to any Supplemental Life insurance coverage

- For coverage of one to six times your base annual pay
- No health questions
- Maximum coverage amount of \$1,000,000

With the Family Plan, Spouse/Domestic Partner and Child Voluntary AD&D premiums are based on a multiple of your base annual pay:

- \$.02 Per \$1,000 / Month for Employee Only
- \$.03 Per \$1,000 / Month for Employee, Spouse + Children

You can get \$150,000 of Voluntary AD&D coverage for yourself and your family for about \$4.50 a month.

Additional benefits when enrolled in Voluntary AD&D

- **Child Care Benefit:** If you die in an accident and your children are under 12 years of age, they would receive childcare benefits for a maximum of four years
 - Maximum of \$5,000 per year not to exceed (in total) 12% of the full amount of the AD&D insurance
- **Child Education Benefit:** If you die in an accident, each child covered under this plan would receive tuition funds to attend college full-time for up to four consecutive years
 - Maximum of \$10,000 per year not to exceed (in total) 20% of the full amount of the AD&D insurance

Additional benefits when enrolled in Voluntary AD&D

- **Hospital Confinement Benefit:** If you're injured and are confined to a hospital as a result of an accident, you'd receive additional monthly benefit
 - Maximum benefit of 1% of the covered amount or \$2,500 per month up to 12 months
- **Common Carrier Benefit:** If you die as a result of an accidental injury while traveling by public transportation, your beneficiaries would receive additional benefit
 - Provides an additional 100% of AD&D coverage (200% total)

How do other death benefits fit into my planning?

Workers' Compensation death benefits are regulated by the State of California and calculated by the number of dependents and the degree of dependency.

- **If no dependents:**

- Payment to the State of California of \$250,000

- **If one to three dependents:**

- Payments to dependents range from \$250,000 to \$320,000 tax free depending on the number of dependents

- **Dependent types:**

- **Minor Dependents** receive weekly benefits equal to what your wage replacement under temporary total disability (TTD) would have been (max \$1,103.29/week as of January 1, 2015) Benefit payments stop at age 18
- **Disabled children** who are physically or mentally incapacitated from working after age 18 receive benefits for life

- **Additional information:**

- PG&E pays burial costs up to \$10,000



How do other death benefits fit into my planning?

Social Security death benefits paid to your family are based on your earnings.

- **Maximum family benefits** caps the death benefit payment amount between 150%-180% of your benefit amount:
 - A spouse, at full retirement age, generally receives 100% of your basic benefit amount
 - A spouse, any age, with a child younger than 16 receives 75% of your benefit amount
 - Children under 18 receive 75% of your benefit amount
 - Benefit payments stop at age 18
- Workers' Compensation does not off-set for Social Security and visa versa
- For more information on social security death benefits, visit <http://ssa.gov/>

Interested? Next steps

Log on to Mercer BenefitsCentral from your computer or mobile device: mypgebenefits.com

Enrolling from work? Click on ***PG&E@Work for Me > About Me > My Benefits > Mercer BenefitsCentral*** and you'll be automatically logged in to your account.

- Online enrollment anytime, day or night

Prefer to enroll by phone? Want to ask an expert?

- Call the PG&E Benefits Service Center at **1-866-271-8144**
Monday – Friday, 7:30 a.m. – 5 p.m. Pacific time

