

Request to Waive or Cancel Waiver for Taxable Life Insurance Coverage



The value of state-paid life insurance coverage over \$50,000 is taxable income for federal and state purposes. Employees affected by this are: (1) managers and certain employees in the Commissioner’s Plan whose state-paid life insurance coverage is 1.5 or 2 times their annual salary if this amount is over \$50,000, (2) State University faculty and administrators whose annual salary is over \$50,000, and (3) any other employee whose annual salary is over \$50,000.

If you wish to waive the coverage in excess of \$50,000, complete the box labeled “WAIVER.” If you have previously waived this coverage and now wish to apply for it, complete the box labeled “REQUEST FOR ADDITIONAL LIFE INSURANCE PREVIOUSLY WAIVED” and complete a standard application form for insurance, as noted below.

Waiver		
<p>INSTRUCTIONS: Employee: Complete and return to the State Employee Group Insurance Program (SEGIP). This waiver is effective the first of the following month in which you signed the application. Agency: Send the original to SEGIP and retain a copy for your records.</p> <p>I hereby waive my right to state-paid life insurance benefits in excess of \$50,000. I understand that such benefits, once waived, can be reinstated only after approval by the insurance carrier based on acceptable evidence of insurability.</p>		
Name (please print)	Employee ID #	Social Security Number
Signature	Date	Work Phone

Request for Additional Life Insurance Previously Waived		
<p>INSTRUCTIONS: Employee: Complete and return, along with a completed optional insurance application form marked “For Insurance Over \$50,000 Previously Waived,” to SEGIP. Mn Life will contact you directly to supply evidence of good health. The additional insurance is not effective until approved by Mn Life Insurance Company. Send the original application to Minnesota Management & Budget, SEGIP. Retain a copy for your records.</p>		
Name (please print)	Employee ID #	Social Security Number
Signature	Date	Work Phone

<p style="text-align: center;">TO BE COMPLETED BY MN MUTUAL LIFE INSURANCE COMPANY (REINSTATEMENTS ONLY)</p> <p>The above request for additional state-paid life insurance benefits is approved.</p> <p>Mn Life Insurance Company by (Authorized Signature) _____ Date _____</p>		
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Disclosure/Acknowledgment of Right to Waive or Cancel Waiver for Taxable Life Insurance Coverage

INSTRUCTIONS: Read and sign at the time of appointment to a position in one of the following:

- Managerial Plan and certain positions in the Commissioner's Plan if the amount of life insurance selected (1.5 or 2 times the annual salary) is over \$50,000
- Any other position with basic life coverage over \$50,000

DISCLOSURE: The cost of state-paid life insurance coverage in excess of \$50,000 is classified as taxable income by federal and state tax authorities. The taxable value is computed according to the table below. The employer must report this amount to the employee on Form W-2, the Internal Revenue Service (IRS) and the Minnesota Department of Revenue.

If you do not want coverage in excess of \$50,000, you may waive such coverage and thereby reduce your tax liability. If you waive the excess coverage, you may later request reinstatement of the additional insurance, but you will be required to furnish evidence of insurability.

To waive the state-paid life insurance benefit in excess of \$50,000, you must sign the form Request to Waive or Apply for Taxable Life Insurance Coverage and return it to Minnesota Management & Budget, SEGIP.

NOTE: The cost of coverage over \$50,000 is tax-exempt if the employee has named a charitable organization as beneficiary of the coverage over \$50,000. If this circumstance applies, contact Minnesota Management & Budget, SEGIP. For additional information on other exceptions to the \$50,000 ceiling on tax-exempt coverage, contact the IRS at www.irs.gov [IRC Sec. 79 (b), Reg. #1.79-2].

Taxable Value of Coverage In Excess of \$50,000

Age as of December 31	Monthly value assigned by IRS per \$1,000 of coverage	Annual value assigned by IRS per \$1,000 of coverage
Under 25	\$0.05	\$0.60
25-29	\$0.06	\$0.72
30-34	\$0.08	\$0.96
35-39	\$0.09	\$1.08
40-44	\$0.10	\$1.20
45-49	\$0.15	\$1.80
50-54	\$0.23	\$2.76
55-59	\$0.43	\$5.16
60-64	\$0.66	\$7.92
65-69	\$1.27	\$15.24
70 and over	\$2.06	\$24.72

ACKNOWLEDGMENT: I have read the above disclosure and understand the procedure I must follow if I wish to waive the amount of state-paid life insurance in excess of \$50,000.

Signature	Date
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If you have questions about this procedure or your eligibility or coverage, contact Minnesota Management & Budget, SEGIP.

Minnesota Management & Budget
NOTICE OF COLLECTION OF PRIVATE DATA

Minnesota Management & Budget (MMB) administers the State Employee Group Insurance Program (SEGIP). This notice explains why we may request information (data) about you, your dependents and beneficiaries, how we will use it, who will see it, and your obligation to provide that information.

What information will we use?

We will use the information you provide us at this time, as well as information you have previously provided us about yourself, your dependent(s), and/or your beneficiary. If you provide any information about yourself or your dependent or beneficiary that is not necessary, we will not use it for any purpose.

SEMA4, the information system used to administer employee benefits, contains required information fields that may not be necessary for us to process your request. We do not need the gender or marital status for your beneficiary designation, so you may enter “unknown” in these fields. We only need your dependent’s date of death to process a death benefit claim or to discontinue the dependent’s coverage due to his or her death. Student status and disability status are needed only to determine eligibility for insurance continuation for your dependent. We need your dependent’s social security number and birth to offer insurance continuation, process a death benefit and to comply with federal Medicare coordination laws.

Why we ask you for this information?

We ask for this information to process your request to add or change coverage for yourself, your dependent or a beneficiary. The requested information helps us to determine eligibility, to identify you and your dependents and beneficiaries, and to contact you or your dependents and beneficiaries. We use the information so that we can successfully administer SEGIP, including analyzing unidentifiable aggregate data to develop new programs and ensure current programs are effectively and efficiently meeting member needs. We may ask for information about you that we have already collected, including all or part of your social security number, in order to ensure we are matching you to the correct change request or other insurance benefit transaction.

Do you have to answer the questions we ask?

You are not legally required to provide any of the information requested.

What will happen if you do not answer the questions we ask?

If you do not answer these questions, the insurance benefit transaction you requested for you or your dependent or other insurance benefit transaction may be delayed or denied.

Who else may see this information about you and your dependents and beneficiaries?

We may give information about you and your dependents and beneficiaries to the insurance carrier you have chosen, SEGIP’s representatives, vendors, and actuary, the Legislative Auditor, the Department of Health, any law enforcement agency or other agency with the legal authority to the information, and anyone authorized by a court order. In addition, the parents of a minor may see information on the minor unless there is a law, court order, or other legally binding instrument that blocks the parent from that information. We can use or relate this information only as stated in this notice unless you give your written consent to authorize release of the information to another person/entity, or if Congress or the Minnesota Legislature passes a law allowing or requiring us to release the information or to use it for another purpose.