

## 2021 UK Benefits Open Enrollment Voluntary Benefits FAQ

**Q. If I am enrolled in a Voluntary Benefit, do I have to do anything at Open Enrollment this year?**

- A. If you do nothing, your existing coverages will continue; but there are many reasons to review.
- Short-term disability coverage does not increase automatically with pay raises; and we have a new short-term disability product, **Paycheck Protect®**, that will provide better coverage (includes Mental Illness) and might save you money! This will be your only opportunity to switch to **Paycheck Protect®**. The maximum coverage has also increased from 60% to 70% (up to \$6,000/month) of your Basic Earnings.
  - We have a new benefit called **Critical Illness** that could help provide money for deductibles, co-insurance, and other living expenses.
  - Only during this year's Open Enrollment, **NO HEALTH QUESTIONS** will be asked of you or your eligible dependents when applying for Short-term Disability, Critical Illness, Cancer Insurance, or Universal Life Insurance.
  - The **pre-existing condition limitation** for new Short-term Disability and Critical Illness coverage has been **waived!**

**Q. Can Voluntary Benefits help me pay health insurance deductibles and coinsurance?**

- A. Yes, and more! The Accident, Cancer, and Critical Illness plans pay benefits directly to the insured and can be used for anything. The plans are inexpensive too since premiums are deducted on a pre-tax basis and each plan will pay \$100 every year to the insured for a qualified diagnostic test like cholesterol or glucose. Here is an example:

John is 45 years old. He buys Accident, Cancer, and Critical Illness insurance. For "Employee Only" coverage:

- The premium for the Accident plan is \$17.41/month.
- The premium for the Cancer plan is \$19.60/month.
- The premium for a \$15,000 Critical Illness plan is \$6.02/month.

Total Monthly Pre-tax Premium for Above Plans	\$43.03
Net Monthly Deduction (Assuming a 35.65% Tax Bracket) (7.65% FICA & Medicare, 6% State, 22% Federal)	\$27.69
12 Months per Year	x 12
Annual Net Deduction	\$332.28
Less \$100 Annual Wellness/Health Benefit from Each Plan	- \$300.00
Net Annual Cost for All Plans Combined	\$32.28
<b>Net Monthly Cost for All Plans Combined</b>	<b>\$2.69</b>

**Q. Why do I need Cancer or Critical Illness insurance when I have excellent health insurance?**

- A. It is estimated that **almost half of all additional expenses** incurred when someone suffers a serious illness like cancer, stroke, or a heart attack **is non-medical**.

(Continued)

**Q. Can I take my policies with me if I leave the University?**

- A. Yes. If you become ineligible or leave the University, all policies except the Long-term Disability Buy-up are portable and can be continued on a direct bill basis.

**Q. How much Universal Life can I get without answering any health questions?**

- A. A working employee can get a total of \$150,000; a working spouse can get a total of \$50,000; and a non-working spouse can get a total of \$10,000 without health questions. Children, 0-18 years old, can get \$20,000 without health questions.

**Q. Who is eligible to enroll in Voluntary Benefits?**

- A. Regular University Faculty and Staff with a .5 FTE assignment or more and WEPP nurses. Faculty are not eligible for Short-term Disability. You must be actively at work on the Effective Date. Some plans have age restrictions.

**Q. Why should I enroll now?**

- A. Most of these benefits require health questions (underwriting) after initial eligibility, so coverage can be denied. During this Open Enrollment, underwriting requirements are the same as a new employee receives, "guarantee issue".

**Q. What is the difference between Plan A and Plan B for Short-Term Disability Insurance?**

- A. Both Plan A and Plan B pay benefits for up to 6 months; but Plan A starts paying after being off work for 14 continuous days due to a disability, and Plan B starts paying after being off work for 30 continuous days due to a disability. Plan A costs more because it starts paying benefits sooner.

**Q. How is Universal Life insurance different than my group term life at UK?**

- A. Universal Life is designed to stay in force into retirement and until "life expectancy". Term life is designed to be cheap at younger ages (when people typically need more life insurance), but the premiums continue to increase as we get older until they become unaffordable at "life expectancy". We recommend buying a small Universal Life policy to cover "Final Expenses" that might include medical bills, debts, or funeral costs.

**Q. Where can I find out more and/or enroll?**

- A. Go to our website at [www.thempmgrouppllc.com](http://www.thempmgrouppllc.com). There, you will find everything you need including brochures, rates, sample certificates, videos, and more. You can also enroll for most of your Voluntary Benefits from there.

Policyholder Contacts	Policy Questions	Deduction Questions
MetLife Home & Auto	(800) GET-MET8	(800) GET-MET8
Metlaw	(800) 821-6400	(800) 821-6400
Nationwide Pet Insurance	(877) 738-7874	(877) 738-7874
Transamerica Long-Term Care (Monumental Life/PFL)	(800) 338-0257	(800) 338-0257
Genworth Long-Term Care	(800) 416-3624	(800) 416-3624
Security Life of Denver Universal Life	(800) 752-4729	(800) 752-4729
Aflac Accident, Aflac Short-Term Disability, Aflac Critical Illness, Trustmark Accident, Trustmark Short-Term Disability, Allstate Benefits Universal Life, Allstate Benefits Group Cancer, Long-Term Disability Buy-Up	The MPM Group (859) 223-4973	The MPM Group (859) 223-4973

This FAQ provides brief information and is not meant to give tax advice. Please consult plan documents for detailed information and your tax advisor.